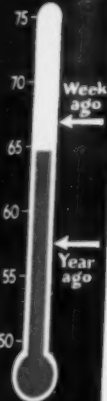


OCT. 5
1935

OCT 7 - 1935

BUSINESS WEEK

BUSINESS
INDICATOR



party de-
is needed
he Fuhrer
alien, ap-
enly plans
nts in this
ort of the
bauing."
al of this
policy to
ciples of
country,"
he Storm
" this or-
ica." In
he organ-
r festival
pathizers,
n and by

German
countries,
Nurem-
the Na-
sophy in
ling the
have or-
a dozen
ing not
ood but
and in
roups,
y a Nazi
mmunist
ppealing
l revolt.
ople of
bullying
eatening
property

largely
ampaign
me peo-
party
n as it
rs can-
ey skil-
d to it
This is
law of
ecently
t, and
f busi-

onger
social-
gerous
nited
ntrols
igor-

York.
years,
whill
mery

man
laum
lson

TER

SIGNS OF EMPIRE—Like the Tower of London, these great intake towers at Boulder Dam, viewed by the President this week, mark a conquest, but this time it's an engineering and economic conquest—over nature, not men.

McGRAW-HILL
PUBLISHING
COMPANY, INC.

20 CENTS

UNIVERSITY OF MICHIGAN
GENERAL LIBRARY
ANN ARBOR MICH



Surgeons of Steel

CALL ON OIL FOR HELP

THE ROUGHING TOOL of the heavy-duty lathe cuts through tough steel as if it were soap. The lip of the tool absorbs terrific heat—enough to kindle its edge to white hot ruin, if it were not for the stream of cooling oil.

Today with new, harder metal alloys—with deep cuts, higher spindle speeds and coarser feeds—that stream of oil is a vital factor in accurate work, higher production, superior finish and lower costs.

And because it is so important, the demand for the fine quality cutting and soluble oils produced by Socony-Vacuum has

considerably more than doubled during the past twelve months.

Out of Socony-Vacuum research came the first broadly successful transparent sulphurized oils. Careful manufacturing control keeps these superfine oils always uniform. Other Socony-Vacuum cutting oils and coolants, almost equally remarkable, have followed in quick succession.

These new oils have swiftly won a preferred place in the metal-working field. Throughout the industry they are doing faster, more dependable, more economical precision work. Seldom, if ever, has a new

line of products found such a quick acceptance with the cautious industrial buyer.

To Socony-Vacuum Engineers these excellent products are only one phase in their work of helping customers in every line of industry show a "Lubrication Profit"—power saved, more continuous production flow, decreased repair costs and lower costs of lubrication itself.

These engineers bring to your plant the knowledge, the practical experience and the complete Socony-Vacuum line of products that make a "Lubrication Profit" possible.

SOCONY-VACUUM OIL Co.

INCORPORATED

STANDARD OIL OF NEW YORK DIVISION • WHITE STAR DIVISION • LUBRITE DIVISION • WHITE EAGLE DIVISION
WADHAMS OIL COMPANY • MAGNOLIA PETROLEUM COMPANY • GENERAL PETROLEUM CORPORATION OF CALIFORNIA



WASH
no whe
tion, th
lom-of-
ade of
pluses a
Wash
entire r
not yiel
quarely
brates v
uch ex
py Wh
neutrial
per, con
have no
py Wa
League
ports fo
M
Best ju
United S
short tin
Hence f
rambling
port Brit
had alrea
out Hail
which,
continue
N
So far,
ing and
amounts,
mands fo
1914 cert
came a
Britain b
ple. So
domestic
ate with
tional tro
blockade.
Busine
that pro
safeguard
ger "ifs"
spell" re
now rega
uary Con
ment is
processing
ing a hal
vital in M
must carr
Whate
tration n
Federal T
BUSINESS
42nd Street,
Vice-President
25c per copy.

Washington Bulletin

WASHINGTON (By Business Week Staff Correspondents)—With wheat to sell abroad, cotton is king again in international situation, though copper comes close behind. But our proverbial freedom-of-seas policy may fade into cooperation with League in blockade of Italy—if peace sentiment triumphs over chance to sell surpluses at profit.

Washington assumes France and Britain will—eventually—go entire route in shutting off Italy from commerce, that Mussolini will not yield easily. This brings up squarely question whether United States will insist on freedom for such exports as are not stopped by White House edicts under neutrality law. Cotton and copper, contraband in World War, have not yet been so classified by Washington, but assuming League yields to Britain, all exports for Italy will be out.

Mussolini's Gamble
Best judgment is that League, with United States, could strangle Italy in short time, and that Italy knows it. Hence belief Mussolini has been gambling on failure of France to support Britain, as proposed compromises had already offered Italy everything but Haile Selassie's classy headgear, which, shorn of authority, he might continue to wear.

Neutrality Dilemma
So far, we have sold Ethiopia nothing and Italy only inconsequential amounts, but war prices stir up demands for "neutral rights." Back in 1914 certain cotton state senators became almost pro-German when Britain blacklisted their favorite staple. So Roosevelt will face plenty of domestic trouble if he tries to cooperate with League; plenty of international trouble if he attempts to break blockade.

No Taxes IF
Business will realize before long that promise of no more taxes was safeguarded by more implied and bigger "ifs" than even the "breathing spell" reassurance. Soldier bonus is now regarded as 5 to 1 shot in January Congress session and best judgment is that courts will knock out processing taxes. Farm benefits—costing a half billion—must go on, are vital in Middle West which Roosevelt must carry 13 months hence.

Harness-Makers
Whatever style of harness Administration may apply to business, both Federal Trade Commission and rem-

HAMILTON REPORTS

Walton Hamilton's Consumer Board studies on milk, ice, whisky, and gasoline, obtained and summarized exclusively in Business Week, Sept. 28, will be released to public within month. Intention to hold them back in connection with study of that "broad industrial statute" promised for next Congress session was derailed by the flood of requests for copies.

nants of NRA want to handle reins. Latest Presidential compromise adding labor provisions to fair trade practice agreements lets both win with George L. Berry as Coordinator. But donning of harness is still optional—with limited exemption from anti-trust laws as lure.

Advertising Pays
Yeast may be excellent as pimple remover and beauty aid but, if so, advertising the fact is likely to prove expensive. Bureau of Internal Revenue figures such claim rates 10% cosmetic tax, sues Red Star Yeast Co. of Milwaukee to recover, promises other cases along same line.

South Grows Its Own
Deep South is on road to producing its own food, with grave threat to once huge market for Corn Belt. Census figures reveal that in 5 years Alabama acreage devoted to cotton decreased 40%, while corn increased 38% and potatoes, sugar cane, wheat, and oats also showed marked gains. So have cattle and hogs, especially pork for home consumption. Georgia, Kentucky, Louisiana, Tennessee, and Florida show same trend.

Jones Out to Unload
Jesse Jones is starting real drive to put RFC in position to unload its railroad obligations on public. New York Central case is typical. He wanted railroad to issue 4% bonds for \$27

millions now owing to RFC and \$63 millions owing to bankers, was willing RFC should take \$45 millions—just half—of total floating debt in such bonds. Idea was, of course, that RFC would, at opportune moment, pass bonds on to private investors. Bankers, unwilling, say public won't buy 4% N.Y.C. bonds. Which is why Jones only extended for 60 days \$15.6 millions notes due Oct. 1.

Boulder Dam Echoes
Critics predict President will hear more of Boulder Dam speech. They insist dam was built to supply existing water and power wants in overgrown Los Angeles, provide irrigation and flood control in Imperial Valley, whereas Grand Coulee and Passamaquoddy are building decades before need is manifest. All this aside from fact Coolidge signed law for Boulder Dam and Hoover started work.

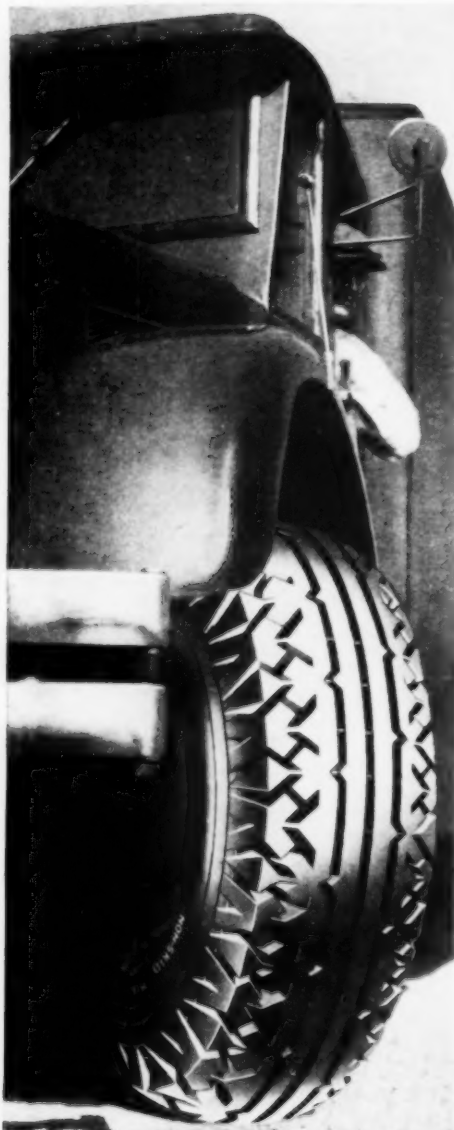
Countervailing Duty
Now that we no longer import butter, are in fact re-exporting out of bonded storage, the Treasury has imposed a countervailing duty and that on Danish butter, a premium article that always sells far too high to compete with domestic or any other butter.

Trouble for Morgenthau
Continuance of business pickup—gratifying as it may be in boosting tax receipts—promises to complicate Treasury financing. While investors have had no place to put their money, Morgenthau has been beating down interest rates by short-term loans on which he asked bids. With better investment opportunities, short-term governments may have to pay more.

Prison Work Problem
New Prison Industries Reorganization Board will attempt to placate union labor on competition of prison-made goods, but has little prospect of success. Experts conclude some competition inevitable if prisoners are to work, not riot. Prison executives are unwilling to restrict output to state and municipality uses.

Silver—Two Schools
Silver program gets nowhere fast. Senator Thomas (Okla.) demands remonetization at once. Senator King (Utah) wants government silver buying continued. Answer—Thomas is inflationist, interested in silver only as it affects money volume; King is for high silver prices to benefit mining interest, is against inflation. Copper, more important than its byproduct, silver, is helped by high domestic silver price, in effect an additional rail on tariff.

HOW Firestone GIVES YOU LOWEST COST PER TON-MILE



HIGH SPEED, NON-SKID *Gum-Dipped*

6.00-20 .. \$16.95	9.00-24. \$65.95
6.50-20 .. 21.95	9.75-20. 79.35
7.00-20 .. 29.10	30x5 Truck Type 16.90
7.50-20 .. 35.20	30x5 H.D. 21.30
7.50-24 .. 39.00	32x6 Truck Type 27.65
8.25-20 .. 49.30	32x6 H.D. 36.25
8.25-24 .. 54.75	34x7 H.D. 48.65
9.00-20 .. 60.75	40x8 H.D. 73.95

Other Sizes Proportionately Low

FIRESTONE TIRES are built different — they have three patented construction features not used in any other truck tire. The body is built with Gum-Dipped *High Stretch* cords. Gum-Dipping, the patented Firestone process, soaks the cords in pure liquid rubber, insulating and coating every strand in every cord. This is why Firestone Tires run cooler and are stronger.

The tread is made of a new and tougher rubber compound which gives greatest resistance to wear. This, together with the scientific non-skid design, gives greater traction and longer non-skid mileage. Firestone locks this wider, heavier and more rugged tread securely to the Gum-Dipped cord body of the tire by building two extra layers of Gum-Dipped cords (*patented*) under the tread.

These *exclusive* construction features result in *lowest cost per ton-mile*. The largest operators in the country buy Firestone Tires year after year on their cost-reducing performance.

Call on the Firestone Auto Supply and Service Store or Tire Dealer nearest you today, and start reducing your operating costs. When buying new equipment *be sure to specify Firestone Tires*

Listen to the Voice of Firestone — featuring Margaret Speaks, Soprano, with the Firestone Choral Symphony, and William Daly's Orchestra — every Monday night over N. B. C. Nationwide Network

© 1935, F. T. & R. Co.



OLDFIELD *Gum-Dipped*

6.00-20 .. \$14.85
6.50-20 .. 19.20
7.50-20 .. 30.80
30x5 H.D. 18.65
32x6 H.D. 31.70
34x7 H.D. 42.55

Other Sizes Proportionately Low



SENTINEL TYPE

6.00-20 .. \$13.40
30x5 H.D. 16.80
32x6 H.D. 28.55



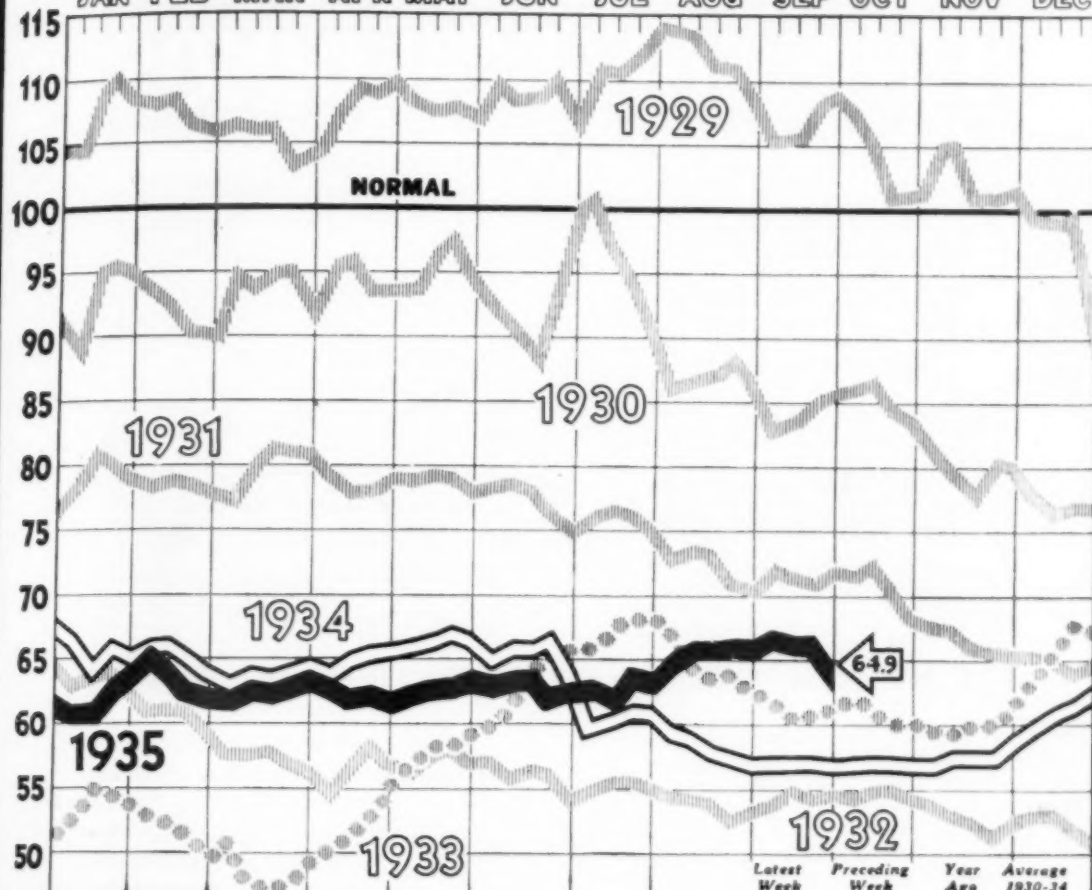
GROUND GRIP *Gum-Dipped*

6.00-20 .. \$16.95
6.50-20 .. 21.95
7.00-20 .. 29.10
7.50-20 .. 35.20
7.50-24 .. 39.00
8.25-20 .. 49.30
32x6 Truck Type 27.65
32x6 H.D. 36.25

Other Sizes Proportionately Low

WEEKLY INDEX OF BUSINESS ACTIVITY

JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC



BUSINESS WEEK INDEX

PRODUCTION

	Latest Week	Preceding Week	Year Ago	Average 1930-34
★ Steel Ingot Operation (% of capacity)	50.8	48.9	23.2	32.8
★ Building Contracts (F. W. Dodge, daily av'ge, thousands, 4-week basis)	\$5,842	\$6,003	\$4,517	\$7,583
★ Bituminous Coal (daily average, 1,000 tons)	*1,277	*1,393	1,144	1,205
★ Electric Power (millions K.W.H.)	1,857	1,852	1,649	1,635

TRADE

Total Carloadings (daily average 1,000 cars)	118	117	107	120
★ Miscellaneous and L.C.L. Carloadings (daily average 1,000 cars)	73	71	68	78
★ Check Payments (outside N. Y. City, millions)	\$3,518	\$3,966	\$3,079	\$3,458
★ Money in Circulation (daily average, millions)	\$5,645	\$5,646	\$5,420	\$5,209

PRICES (Average for the Week)

Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.18	\$1.17	\$1.06	\$.73
Cotton (middling, New York, lb.)	\$1.09	\$1.09	\$1.26	\$.92
Iron and Steel (STEEL, composite, ton)	\$32.84	\$32.83	\$32.13	\$31.00
Copper (electrolytic, f.o.b. refinery, lb.)	\$.088	\$.088	\$.088	\$.080
All Commodities (Fisher's Index, 1926 = 100)	85.5	85.2	80.1	73.1

FINANCE

Federal Reserve Credit Outstanding (daily average, millions)	\$2,479	\$2,482	\$2,463	\$1,899
Loans and Investments, Federal Reserve rep't'g member banks (millions)	\$19,126	\$19,084	\$17,789	\$17,058
★ Commercial Loans, Federal Reserve reporting member banks (millions)	\$4,566	\$4,513	\$4,713	\$4,945
Security Loans, Federal Reserve reporting member banks (millions)	\$2,946	\$2,952	\$3,080	\$3,584
Brokers' Loans, Federal Reserve reporting member banks (millions)	\$977	\$995	\$834	\$765
Stock Prices (average 100 stocks, Herald Tribune)	\$106.31	\$106.32	\$95.93	\$107.66
Bond Prices (Dow, Jones, average 40 bonds)	\$96.31	\$96.36	\$92.09	\$88.72
Interest Rates—Call loans (daily av'ge, renewal) N. Y. Stock Exchange	1 1/4	1 1/4	1 1/4	1.5 1/2
Interest Rates—Prime Commercial Paper (4-6 months) N. Y. City	1 1/4	1 1/4	1-1 1/4	1.9 1/2
Business Failures (Dun and Bradstreet, number)	204	184	203	393

★ Factor in Business Week Index * Preliminary † Revised ‡ 1932-34 average.

•Are You Planning NEW BUILDING • PLANT ADDITIONS • PLANT MODERNIZATION•

YOU CAN BE UNDER ROOF
BEFORE SNOW FLIES WITH—

TRUSCON BUILDINGS



**CUSTOM-BUILT FROM RUST-RESISTING COPPER ALLOY
STEEL UNITS**

*Quickly Erected and Ready for Occupancy
In a Matter of Weeks*

PERMANENT • INEXPENSIVE

• So quickly are Truscon buildings erected and ready for occupancy that before snow flies this fall you can be housed in your new building. But this time-saving element is only one of the many advantages which these attractive, fire-safe buildings provide for you. Although erected from standardized units, Truscon buildings are actually custom-built to any type or size to fit your needs. And because they are made of standardized units they are low in cost and can be promptly shipped and quickly erected with the minimum of expense. Another important item—these buildings can be economically dismantled and re-erected in a new location whenever desirable. Truscon buildings meet every one or two-story need. All building types and sizes are available with pitched, monitor or flat roofs. Any arrangement of doors and windows—and side walls of any description.

STEELDECK ROOFS • Your best assurance of a trouble-free, permanent and economical roof. Truscon Steeldeck roofs are made of copper alloy (rust-resisting) steel and will last indefinitely. They are fire-safe and very light in weight. Covered with insulation and water-proofing, they weigh only five pounds per square foot. These time-proved and tested Steeldeck roofs make an ideal roof in every way for your Truscon building.

FERROCLAD WALLS • Fire-safe. Economical. Efficient. Truscon Ferroclad walls are only a trifle over an inch thick but offer resistance to temperature changes equal to that of a 25-inch concrete wall. Ferroclad walls consist of an inner and outer facing of copper-bearing steel. Between the steel layers is one-inch thickness of commercial insulation with edges sealed against moisture. A real advance in wall construction.

Write for full information on Truscon Buildings, Steeldeck Roofs and Ferroclad Walls

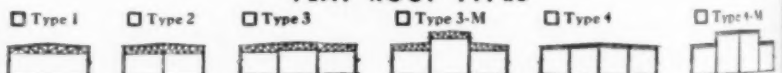
NOTE TO EXECUTIVES

Mark this page for the attention of the individual in your organization responsible for new construction or modernization. We offer our fullest cooperation in helping work out the details of any plant additions or modernization you might be considering now or any time in the future.

PITCHED ROOF TYPES



FLAT ROOF TYPES



UNEQUALLED FOR FACTORY, SHOP, WAREHOUSE, GARAGE, SHED, HANGAR, ETC.

TRUSCON STEEL COMPANY • Youngstown, Ohio

The Business Outlook

DESPITE growing tenseness concerning events abroad, domestic activity is at present dominated by general improvement in the internal economy. Gold seeking shelter on American shores, a tightening of prices on certain commodities having war significance, scattered signs of industrial activity that smells of war, and weak spells on stock exchanges are still the only ripples on the smooth stream of normal recovery.

The slump in *Business Week's* index covering the week ending Sept. 28 had nothing to do with prospective foreign wars, but reflected the havoc of domestic industrial warfare in soft coal fields.

Coal Strike Tremor

Though the struggle was brief and preliminary peace treaties have already been signed, the disruption to normal productive activity was sufficient to give the index a temporary, but bad, jolt. Traffic shipments suffered likewise. As usual in wars, the public pays—in this case by a boost in coal prices of at least 15¢ a ton.

Full Speed Ahead

But now that coal production has been resumed, at least until the expiration of the latest treaty in April, 1937, business activity should continue to make progress to the end of the year and into 1937. Detroit stepped up auto assemblies late in September and should make more headway each day this month if dealers and national display rooms are to be stocked by Nov. 2. Textile mills have more orders on hand than can be readily handled. Steel mills are running close to the year's high rate, and as motor business comes their way, a new peak for 1935 seems assured. Construction awards are making a strong bid to surpass the August peak, with particular strength apparent in residential and public works projects.

Credit Expansion

Commercial loans have been plunging slowly upward in response to usual seasonal demands. If the pace quickens substantially, it will be the first evidence of the long-anticipated credit expansion. Even oil production got under control late in September, though the industry was somewhat disappointed to find curtailment so modest. The new "allowable" output fixed by the recently established governing committee for California was higher than that set by federal agents.

Strong Power Demand

Power production during the coal-strike week showed no evidence of

REAL FARM RELIEF

Farmers are getting a better break every day. Prices of things they sell are headed upward; cost of goods purchased, downward. In mid-September, products sold by farmers reached 107% of pre-war levels; products purchased declined to 125%. With new war scares, short crops, and dwindling inventories, farm and food products point even higher.

tapering. The national total moved upward to another high since 1929. With daylight-saving schedules now abandoned, further increases lie ahead. Nor does there seem to be any letup in sales of appliances. August washing machine shipments set an all-time record, being 31% ahead of July and 29% larger than a year ago. Refrigerator sales show a seasonal decline as winter approaches, but August sales of manufacturers to distributors and dealers were 39% larger than last year.

Construction Totals Up

Additional reports on September construction confirm the favorable sample available last week. For the first 3 weeks, all major divisions run ahead, not only of last year, but of last month as well—and by very respectable margins. Residential contracts for example, are 17% above the August daily average and 135% above a year ago; non-residential margins are up 5% and 30% in the same order; public works and utilities, 18% and 46%; total, 13% and 54%.

Industry Is Building

Of particular interest is the surge of private industrial construction. *Engineering News-Record* reports in early October a \$½-million strip steel mill for Anderson, Ind.; a \$1.5-million refinery for Pan American in Texas; 2 plants for General Motors at Tarrytown, N. Y., for \$½ million; first 2 of 5 units in a \$1-million truck plant for International Harvester at Fort Wayne, Ind. In addition, Granite City Steel awarded a \$2-million

contract for 2 new mills and Eastman Kodak is erecting a \$400,000 building to enlarge its Kodak Park plant.

Freight Traffic

The improvement in freight traffic comes as a boon to railroads struggling with shrinking operating incomes. Just prior to the coal strike, loadings topped the 700,000-car mark for the second consecutive week. The week ending Sept. 28 will reflect the coal strike, a bad break for railroads heavily dependent on coal revenues.

Significant Gains

Of this year's freight shipments, only 3 classifications have exceeded last year's totals. These are forest products, ore, and miscellaneous. The first reflects improvement in construction, in furniture plants and other wood-consuming industries; the second, gains in steel and iron centers; the third, gains in a broad variety of industries from motors to dry goods.

Fare Reduction Move

Eastern roads which have strenuously opposed the growing demand for passenger fare reductions as a means of winning back lost traffic will keep an eye on the B.&O., which has come out flatly for such reductions before the ICC.

Steel and Automobiles

Even without the long-awaited orders from Detroit, the steel industry has lifted operations to 50.8% of capacity. When these orders do appear, they will take up the anticipated slack following business booked prior to Oct. 1 under threat of higher prices for small tonnage buyers. September pig iron production gained 4% over the August daily rate. Steel output should go the same way. Steel prices show no definite trend, but several primary materials are headed up.

Copper's Big Quarter

Copper markets have just closed the best quarter sales in several years. Domestic sales of the last 3 months were greater than the entire first half. They averaged close to 92,000 tons a month contrasted with 27,000 in the first 6 months, a gain of 236%. September deliveries to consumers will break long-standing records.

Shoe Sales Race

August shoe production shot up to a high for 1935, but the 8 months' total is just under that of comparable months in 1934. Before the year is over, 1935 may show a small edge on last year. Curiously enough, this year there is a run on men's dress shoes, while work shoes are lagging badly behind last year's output.



TIME TURNS A TRICK

One of the great developments of this inventive age is the Mimeotype stencil. It has brought Mimeographing to a high state of efficiency. It has rounded-out and completed the process. In the last half-century we have made many kinds of stencils, all of which we have originated. But this one tops them all. It will do things that no other stencil has ever done. It has made possible the illustrating of Mimeographed sheets. Quickly, easily, privately, it duplicates forms, maps, illustrated letters, bulletins, house organs with pictures and charts, almost any kind of message used to promote business and education. The *cellulose-ester* stencil! Beautiful work at lowest possible cost. For latest particulars write A. B. Dick Company, Chicago, or see your classified telephone directory for the local address.

MIMEOGRAPH



B
EU
Brit
mak
pea
the
Euro
big w
Thi
among
in Eu
velop
The
drama
specta
impre
near
Britai
Suez
bound
there
touch
confli
will
withi
power
They
Ethio
Europ
It i
who
situat
lini w
Asia
larger
and J
There
nothin
taken
4 pop
Mu
little
aroun
on th
Ethio
to "cl
could
Britis
over
had i
Lon
return
Empi
is Au
island
Orien
home
Britai
resou
chest

OCTOBER 5, 1935

Europe's Not Ready for War

Britain will test the League in the Ethiopian crisis, and make future plans accordingly. Europe will strive for peace but prepare for war. American business will face the old neutrality problem.

EUROPE is not yet ready for the next big war.

This is the consensus of opinion among *Business Week's* correspondents in Europe after watching the week's developments in the various capitals.

There is a genuine crisis, which is dramatically magnified in Mussolini's spectacular mass mobilization; by the impressive presence in the Mediterranean of more than 400,000 tons of Britain's fleet; by the passage through Suez of Italian troop and supply ships bound for steaming East Africa. But there is no evidence that it is going to touch off within the next few weeks the conflict which almost everyone expects will break out in Europe sometime within the next 2 years. The major powers are not yet adequately prepared. They are expected still to patch up the Ethiopian mess before it becomes a European one.

It is the British, and not the Italians, who have brought about the changed situation in the last few weeks. Mussolini watched the Japanese strike out in Asia 4 years ago and win a territory larger than Japan itself. Both China and Japan were members of the League. There was a protest from Geneva, but nothing more. Since then, Japan has taken virtual economic control of the 4 populous provinces of North China.

Mussolini Guessed Wrong

Mussolini, with a country only a little less crowded than Japan, looked around for a chance to expand, and hit on the only free territory in sight—Ethiopia. Six months ago he set out to "clean up the job" before the League could have time to stop him. The British refused to take the same stand over his escapade in Africa that they had in the Far East.

London has reasons for the sudden return to firmness. Half the British Empire lies beyond Suez. Real outpost is Australia and New Zealand, white islands in the yellow and brown sea of Oriental races. Only a little nearer home is Singapore, base from which Britain protects its vast tin and rubber resources. Then there is India, treasure chest of the Empire, even since it has

acquired a degree of self-government. But most vital of all is a region which doesn't even belong to Britain—Iran (Persia), where the English get their major oil supply for the vast British fleet. Needles' eyes through which British communications with the vast Empire in the East thread their way are Gibraltar, the Suez Canal, and the narrow end of the Red Sea at Aden. Britain controls all of these now, but the airplane has weakened the hold to the danger point.

Italy in Ethiopia on her own terms—not those of England and the League—is a threat to the British hold on the East. Beyond that, it is, by example, a threat to the peace of Europe.

London Puts League on Spot

The British were tardy in taking a firm stand at Geneva. Evidently, they didn't think Mussolini was serious until it was too late for him to turn back. Now pushed to the wall, they have finally made their stand clear. They will back the Covenant of the League of Nations. It declares that any member of the League which starts a fight

with any other member (both Ethiopia and Italy are members, Italy having invited Ethiopia to join more than 10 years ago) automatically declares war on all members, who are pledged immediately to cut off the guilty party.

This caught Paris on the fence. The French have been cultivating the Italians for the last year. At no time since the World War have they been as friendly. Laval is supposed to have promised Mussolini when he was in Rome last winter that France would not interfere with his Ethiopian plans. Now London demands that France get behind the League. And Paris, reluctant to lose the support of the British in case more serious trouble develops in Europe later, is pretty much obliged to swing back to London's side. Her reason is Hitler, the figure in the background of the whole crisis.

In the Background—Hitler

All Europe knows that Germany is determined to get back some of the territory in Europe lost after the war. Beyond, the Germans demand colonies for both raw materials and markets. They will be stopped only by united action. London thinks now is the time to make that clear. The British know they can play on this Continental fear of the Reich to win support in the present crisis.

The next move is up to the League. Mussolini can't turn back empty-handed. Can he be allowed to hold enough of Ethiopia to save his face in



EVACUATING ADDIS ABABA—Even before reports of the Italian invasion were flashed to the Ethiopian capital this week, native citizens, with their worldly possessions swaying on their heads, were fleeing the city in increasing numbers, partly out of fear, partly at official instigation to nullify the effect of an air raid.

International News

Italy without the League losing the support of its small, and most critical, members? And can Ethiopia be given an outlet to the sea or some similar concession which will satisfy the people in that country and placate the angry blacks throughout Africa? And will the whole thing cement the members of the League and prepare them for the sterner test which cannot now be far ahead?

All this comes directly home to American business men. Are they going to be willing to refuse orders not only for the small list of items included in the neutrality embargo, if applied, but for such products as cotton, oil, and food? The question will come first with the application of economic sanctions to Italy; it is bound to arise later on if we try to remain neutral in a general European war.

auto workers but to limit it to production workers, reserving the skilled workers to their own craft unions.

Lewis is resourceful and his strategy will be put to the test at Atlantic City. He may once more win a qualified victory on a compromise proposal which he knows may again be whittled down by the executive council when that steering group meets in quarterly session after the convention.

No "United Front"

When the convention comes to the communists, it will not only spurn their invitation to a "united front" of all liberal and democratic groups "against war and fascism" but it will probably go much further. As the convention hour approaches, the old-line labor groups are discussing methods of purging their ranks of the communists.

The last year or two have witnessed a growing influence of left wing on the rank and file members of trade unions. In this connection it is only necessary to recall the part played by Harry Bridges, San Francisco longshoreman leader, in last year's general strike on the Pacific coast, the leadership of Minneapolis truckmen's strike and of the northern Ohio strike epidemic of last year. "Radical" hasn't meant "communist" in all such breaks with federation guidance, but the old-line heads don't like the drift. Radical delegates will lift their voices in vain above the torrent of condemnation to be heaped upon what will be described as the attempt of the communists, by a new maneuver, to seize control of the unions.

The row between rival building trade

Labor Faces a Split

As A. F. of L. goes to Atlantic City, the question of whether John Lewis will get out overshadows the certainty that the communists will be drummed out.

ON Monday, Oct. 7, at Atlantic City, the fifty-fifth annual convention of the American Federation of Labor will begin to revolve rapidly around 2 large and contentious problems: What to do about industrial unionism; how to combat communist infiltration in the unions.

For some tense moment during the week there is promised a head-on collision between the advocates of industrial unionism under John L. Lewis, leader of the miners, and the craft unions fighters ranked behind John P. Frey, conservative of the Gompers school who runs the federation's metal trades department.

Set for a Fight

With his prestige fortified by the apparently successful culmination of the shortest strike in the history of the bituminous coal fields, Lewis is expected to put up one of the great fights of his career to advance the reorganization of labor on the basis of unions covering single industries, instead of crafts split among several industries. Those who know the political lineup within the federation do not see how he can win an unqualified victory. The combined vote of the craft unionists is great enough to defeat him. Defeat would be a calamity to United Mine Workers. It would mean that the craft unions, such as machinists, firemen, hoisting engineers, and electrical workers, would "raid" his own industrial union, draw out their own craftsmen, organize them into separate locals, destroy the industrial character of the miners' union.

The foremost question that now agitates labor circles is: What will Lewis do if he is licked? Will he pull out of the A. F. of L., and draw with him the textile union, the men's and women's clothing workers, the brewery workers and the pressmen, all of whom lean toward his views?

This decision is fraught with such serious consequences for the cause of labor that Lewis will hesitate before he

throws down the gauntlet to the federation and leaves to form a rival bloc. He and his opponents know that both sides will be weakened in the "dog eat dog" struggle that will inevitably follow such a move. However, the split is widening every year.

Last year Lewis successfully fought for a resolution that advanced the cause of industrial unionism. But later in the year, the executive council, where he is in the minority, emasculated the resolution. When he insisted that an industrial union be formed out of the scattered local unions in the automobile industry he was voted down, and out of 16 members he found but one or two who sided with him in the council. It was decided to grant a charter to the



A CHAMPION, EN ROUTE TO ARMAGEDDON—President John L. Lewis of United Mine Workers discusses with the press some of the aspects of the settlement of the 6-day bituminous coal strike—shortest on record. Perhaps one of the most significant results, the enhancement of Mr. Lewis's personal prestige, will result in more news next week when he pits his strength against conservative leaders at the A. F. of L.'s Atlantic City convention in a fight for the principle of industrial unionism as opposed to the traditional craft concept.



GOING . . . GOING . . . GONE—In the drab auction room of Adrian H. Muller & Son at 18 Vesey Street in New York City, control of a \$3-billion railroad empire, as represented by collateral for a defaulted \$48-million Morgan loan, was put on the block this week and knocked down for \$3,121,000. Thus did the Van Sweringens keep their place in the sun, for the highest bidder was their new Midamerica Corp., represented by Col. Leonard P. Ayres, financed by Muncie manufacturer, a Cleveland shipowner, and others.

unions will be another center of mud-slinging. This fight is between the large building unions and the small ones for control of jurisdictional questions. President Green, siding with the former group, has incurred the bitter enmity of the bloc of smaller unions. Ardent craft unionists as they are, the latter talk of quitting the federation and joining Lewis on the outside if he decides to make that move.

When building is resumed on a large scale this building trade dispute will win front-page headlines because the 2 groups will be at each other's throats in building operations. We shall then hear more about government supervi-

sion of trade unions and government settlement of jurisdictional disputes.

Green will be reelected this year. Another year may tell a different story, for observers indicate that one or two rival candidates are gathering their votes for a test of his leadership then.

Despite the enlargement of the executive council last year (another victory for Lewis), the internal machinery of the federation remains in the hands of the leaders who carry on the Gompers tradition. They man the important committees, dictate policy and yield now and then only as a matter of expediency, always returning to the battle to regain the lost territory.

The Vans Sell—and Buy

As expected, the auction at Adrian H. Muller's has left the Van Sweringen destiny in the hands of O. P. and M. J.

THE stuffy little auctioneer's shop of Adrian H. Muller & Son at 18 Vesey Street, New York, did, this week, the most important piece of business it has ever seen, and, except for the crowd of 800 curious people, it was a pretty cut-and-dried affair.

When the auctioneer yelled "Sold" at the end of 1½ hours on the final block

of 4 chunks of securities, the famous Van Sweringen Brothers found themselves on the first step of a hopeful come-back. A banking group headed by J. P. Morgan & Co. found itself with a loss of about \$46 millions, and a railroad network of 28,000 miles found itself once more with control lodged in Cleveland, Ohio.

O. P. and M. J. Van Sweringen did not figure directly in the deal. The purchase of blocks I and III (working control of Alleghany Corp., and securities of a number of other holding companies) was made by Midamerica Corp., a newly formed organization for whom Col. Leonard Ayres, Cleveland banker and economist, bid in the desired securities. Behind Midamerica and Colonel Ayres are G. A. Ball of Muncie, Ind., and Geo. A. Tomlinson of Cleveland, and still behind these are the Van Sweringens, old friends who needed a fresh start.

Midamerica Tops the Bid

Midamerica had the field pretty much to itself. Hallgarten & Co., Stock Exchange firm, bought \$1.6 millions of readily marketable securities out of the assortment on the block, but, aside from this batch (which the Van Sweringens didn't want), the only competition for Midamerica was the protective bidding of the creditor banking group, for which J. P. Morgan & Co. was acting as trustee. Midamerica topped the protective bids by a scant margin and thus control of Alleghany Corp. came home to roost, affording the Cleveland railroading brothers another chance to work out that countrywide system that they visualized in 1930 when values were a little higher than at present.

The new money in the picture is that of Ball and Tomlinson, who, with the Van Sweringens, are the substance of Midamerica. G. A. Ball is one of the Ball Brothers of Muncie, descendants of George Washington's maternal stock, but better known for the Ball Bros. mason jars in which American fruit has been cold-packed for generations. In addition to the glass jar business, G. A. Ball is concerned with such companies as Marine Trust of Buffalo, Merchants National Bank of Muncie, Nickel Plate Railroad, Dictaphone Corp., Intertype Corp., Muncie & Western RR, and Great Lakes Portland Cement—all as director.

Confidence in the Vans

George A. Tomlinson, like Ball, has a string of directorships, mostly in the shipping business. He operates more Great Lakes boats than anyone else with his companies, the Tomlinson Fleet, C & B Navigation, Great Lakes Towing. He is chairman of the American Shipbuilding Co., a director of Missouri Pacific, and director of a number of other ship concerns.

Both men have been associated with the Van Sweringens before, and, in common with many Clevelanders, they have faith in the ability of the brothers to manage railroads.

The banking group netted \$5 millions (\$3.1 millions from Midamerica, \$1.6 from Hallgarten) out of the collateral behind the original \$40-million loan made on personal promissory notes

to the Van Sweringens in 1930 for support of collateral behind Van Sweringen Corp. bonds and for meeting commitments to buy stock at a time when the brothers were taking over railroads, chiefly Missouri Pacific. Unpaid interest on the loans had brought the aggregate up to about \$50 millions.

The banking group is believed to have long since written off the losses and finally to have decided to rid itself completely of the entanglement by disposing of the collateral. Particularly is this true of J. P. Morgan & Co. in its capacity as a private banking house, and also in its position as a participant in the Missouri Pacific wrangle over reorganization. Theoretically the bankers may still obtain a deficiency judgment against the brothers. There is no evidence that they will do so and, if they do, it may be wiser to go after their dues later on, when and if the Vans recapture the \$150 millions that they lost during the years of the big wind.

The ICC, which is very eager to know about any transaction in which somebody buys into more than one railroad, hasn't been asked for its opinion of the new deal in Alleghany yet, but presumably it will have something to say about its own approval or disapproval. Ostensibly, since the 2 million shares of Alleghany, with the pieces of 8 major railroads clinging to them, not to mention unnumbered affiliates and subsidiaries, are simply returning to their former owners, ICC should develop no change of opinion.

Curiously enough the most important item on the auction block and the one that created all the fuss (2 million shares of Alleghany) brought less than several other parcels that were bought.

O. P. Van Sweringen attended the auction. M. J. did not. As the crowds were clearing out to get a breath of air, O. P. expressed himself as happy over the acquisition, but added, "I would rather have paid the bill."

Pep Sessions—and Pepsodent

Drug retailers and wholesalers stage big price stabilization rallies, and Pepsodent's return to the fold proves the high point of the show.

ONCE again embattled drug retailers and wholesalers, in national conventions assembled, have sent their demands for price (and profit) protection thundering across the country, for the benefit of manufacturers not yet converted to the gospel which the independents have preached unceasingly before, during, and since NRA.

All three of the meetings just ended—of the National Wholesale Druggists Association in White Sulphur Springs, of the Federal Wholesale Druggists Association in Buffalo, and of the National Association of Retail Druggists in Cincinnati—were Class A pep sessions. Their success was assured before the opening gavel fell; delegates who trooped to the conventions were already flushed with a sense of victory, and for the big fight talks there was no lack of text material, guaranteed to work up the necessary frenzy.

Nine Rahs for the Record

For one thing, there was the record of success in writing a dozen new fair trade laws on state statute books and the prospect of a bigger crop in the year ahead. Steadily the list of manufacturers who have signed up under these fair trade franchises has grown, and under the circumstances cheerleaders could afford to disregard such threats as the difficulty of enforcement, the manufacturer's increased selling expense, the probability that higher prices would

breed consumer resistance, and the possibility of judicial reversals—notably in California's Max Factor-Kunzman case, which this month becomes the first one to reach a state Supreme Court.

Then too, there was at hand for convention orators an abundance of facts and figures on the success which various manufacturers have enjoyed in the use of the several price protection policies: consignment selling, selective distribution, FTC fair trade practice agreements, and the state fair trade contracts.

Expect Federal Help

To point up the routine attack on loss leader sales and special concessions to chains (advertising allowances, secret rebates, extra discounts) there was all the ammunition supplied by the Patman investigation. And growing out of this was the one big hope which speaker after speaker held out to the conventioners. As A. Kiefer Mayer, president of the Kiefer-Stewart Co., Indianapolis, and head of the N.W.D.A. expressed it: either public sentiment against chiselers and price cutters will compel FTC and the courts to put an end to their machinations through different interpretations of existing laws or "the next session of Congress will pass legislation to control this small minority who are engaged in unfair trade practices."

Surprisingly enough, with all this dynamite scattered around, it was an entirely extraneous charge of powder,



NO FALSE ALARM—When anyone trips the lever of one of the new Gamewell Co. street corner fire boxes known as Arrestolarms, a siren is sounded calling public attention to the alarm and thus reducing the number of false calls.

touched off by a manufacturer at the N.A.R.D. meeting which catapulted the drug men to new heights of ardor. The capitulation of the Pepsodent Co. brought the boys out of their seats and launched the one really big stampede.

California Cancellation a Blow

Two months ago (*BW*—Jan. 27) Pepsodent abruptly cancelled all California fair trade contracts. The stunned retailers who had come to believe that the big manufacturing house had at last hit sawdust trail. For years while Amos 'n' Andy pulled Pepsodent up to staggering sales records, independent dealers felt neglected as the Pepsodent product became the prime price football of chains and supermarkets.

Meanwhile other competitive brands carefully wooed dealer cooperation and their sales advanced at Pepsodent's expense. This shift in the marketing picture, according to retailers, explained Pepsodent's sudden endorsement of the stabilization idea last January when it came out with a new sales policy which actually offered dealers a bigger bonus than many of its competitors. Then in July with the California cancellation came the sudden switchback to the old policy of hewing to the advertising line and letting prices (and dealers) fall where they may.

Indignant retailers began at once to put on the screws. Counter and window displays of Pepsodent in drug stores became as rare as hen's teeth. Wholesalers found it suddenly difficult to supply Pepsodent.

To make even more effective the cam-

men of retaliation, delegates at the A.R.D. were just ready to consider a motion severely censuring the company when Pepsodent's superintendent Leo C. Hoffman and sales manager Charles I. Hoffman appeared on the scene with a letter from President Kenneth Smith promising immediate reinstatement of California fair trade contracts and a check for \$25,000 as Pepsodent's contribution to the war chest which A.R.D. is building up to fight for a revision of the anti-trust laws to insure the legality of price stabilization contracts. In this prodigal return was proof of a plenty of retailers' power to force manufacturers into the big parade!

Whither Drug Institute?

Most distinguished by its virtual absence from all convention consideration of ways and means to achieve stabilization was the Drug Institute, the all-industry organization which was established just prior to the passage of NIRA for the purpose of eliminating price fixing from the drug picture. A whirlwind campaign brought in 30,000 members from all branches of the industry. Then drug men began to place chief reliance in their NRA code. Now their principal drive is being directed toward additional state and federal legislation. Interest in D.I. has languished marginally; dues and membership have dropped correspondingly, as each branch of the industry tended to place chief reliance in its own trade organization. Last year, to recapture the interest of its heaviest contributors, the manufacturers, D.I. launched Merchandising, a subsidiary research and price fixing organization. Now even that has been shelved, and now the Institute is trying to find out by the questionnaire where it stands.

Silk or Rayon?

Rising silk prices change battle of fibers but so does the way of a woman with style; perhaps even more so.

LAST March, before Japanese typhoons interfered with the mulberry leaves, silk was cheap, with raw Japan double extra cracks 78% selling for around \$1.30 per lb. in New York. That was low enough so that the lady of the house could afford a run or two in a stocking without upsetting the budget, or choose a silk dress instead of the rayon one which was only a little cheaper.

But since March silk has been on the upgrade, at first slowly, then sharply from July to September. With \$2 silk in the markets now, the advance is about 60%, which is putting a slightly different angle on the market in wearing apparel.

Price Isn't All

The experts have never been able to establish a definite price and consumption relationship between rayon and silk. Too much depends on whether the American woman sways toward a braised velvet with succotash trimming or a draped lollipop weave achieved in dashing rayon. At times the flighty sex has even been known to become ecstatic over a vitamin-A starched organdie, and one year there was a boom in silk for the simple reason that every feminine neck had to have a crinkled silk boa effect around it.

Economic nationalism took a whirl at setting the style when the depression was deepest by calling our attention to a surplus of cotton and bringing a message from the cotton industry that

King Cotton was fit for a queen. As a result cotton returned from exile to ballroom floor and salon and in the 5 years through 1934 our cotton consumption was relatively stable, while wool and silk lost ground and rayon continued to forge ahead.

Silk Parade

What the result of this year's scramble among the fibers will be is anybody's guess. Silk made a strong bid for attention last week with the Silk Parade, a merchandising campaign sponsored by the International Silk Guild, but the textile trade will not yet venture an opinion on the results. Wool is having its usual early fall fling, cotton is fading with the decline of warm weather.

Rayon is exulting over the rise in silk prices since every jump in silk prices opens a little more room in the lower brackets for rayon goods, and rayon consumption is consequently being boosted at the expense of silk. At the same time, the rayon people are worried about the effect of high silk prices on their quality lines.

Over a period of years rayon manufacturers have built up their product by strong merchandising to the point where a high quality rayon dress is accepted in the best circles. Now if silk goes back to its former exclusive price domain, it may regain a certain prestige as a high-priced product that will result in snobbery against competitors, and keeping up with the neighbors will require the wearing of silk and silk alone.

The first step in this district has been taken. The last time silk sold above \$2 was in July, 1933. Today it is easily 3 times the price of rayon. Last March it was only double.

For the present, the rayon trade is well content with the trend of events. The 1935 rayon production of the United States will hit 250 million lb., a new all-time high. World production will be close to 1 billion lb., also an all-time high. Japan (growing 90% of world export silk) is right up with the rayon parade, estimating her 1935 production at 210 million lb. for a new record and second place in world production by countries.

Industry Is Balking

Although \$2 silk is still cheap compared with the \$5 days of 1927-29, the silk industry is balking a little. The trade does not object to moderate advances, since statistical background justifies them with the Japan spring crop 8½% under 1934, the old Japanese surplus largely dissipated, and stocks



Wide World

TACKLING THE PRISON LABOR PROBLEM—With the appointment of the Prison Industries Reorganization Board, a new agency tries its hand at solving the problem of what to do with prison output. Board members are (left to right): Gustav Peck of the old Labor Advisory Board, Prof. Louis N. Robinson of Hawthorne, Judge Joseph N. Ulman of Baltimore (chairman), Linton M. Collins, former NRA official, and James P. Davis, former garment code administrator.

both here and in Japan considerably below last year, but silk people are anxious to retain the volume, as well as the quality, markets. A point in their favor is the popularity of velvets in the early fall trade.

Stocking manufacturers are less concerned than the goods and garment people. Nevertheless, despite the fact that it is hard for other materials to cut into the silk stocking business, price is a prime consideration in the stocking volume and, since stockings take nearly half our domestic consumption of silk, the question is an important one.

In the other half of the industry, the garment and goods divisions, there are immediate effects of advancing silk prices, chief of which is the unquestioned tendency to substitute rayon wherever possible.

Conditioning Code

Standards planned to safeguard development of air-conditioning.

UNDER the guidance of the engineering standards committee of the Air Conditioning Manufacturers Association, data are being accumulated that will eventually form the basis of a code of standards to be urged upon manufacturers and users of all air-conditioning equipment.

The first section, which covers standards for rating and testing air-conditioning equipment, has already emerged as the recommendation of a joint committee of representatives from the American Society of Heating and Ventilating Engineers, the American Society of Re-

frigerating Engineers, the National Electrical Manufacturers Association, the Refrigerating Machinery Association, and the Air Conditioning Manufacturers Association.

Other sections of the program are in the works, with that covering standardization of installation and application already well-advanced.

Fair Trade Practices

The A.C.M.A. is also striking out toward establishing fair trade practices, bearing in mind that: (1) the industry is new; (2) it has gained much public interest in recent years; (3) it is beginning to attract promotional gentry with equipment that cannot possibly give complete and satisfactory service and may do the industry much harm.

Insiders predict that some of the concerns in the field may find themselves in patent difficulties with older-established ones and say that these might quickly become acute if destructive competitive tactics should jeopardize the future of the business and move the original patent-claimants to a concerted clean-up drive.

The roster of present members of the A.C.M.A., which includes most of the pioneers, includes: Carrier Engineering Corp., De La Vergne Engine Co., Frigidaire Corp., General Electric Co., Kelvinator Corp., J. H. McCormick & Co., John J. Nesbit, Inc., Parks-Cramer Co., B. F. Sturtevant Co., Westinghouse Electric & Mfg. Co., York Ice Machinery Corp.

Meanwhile, manufacturers are studying the results of a limited sampling survey undertaken by *Business Week* to trace present buying trends in air-conditioning equipment. These show that, of 245 firms on a list of sub-

scribers, 110, or nearly 45%, are considering the purchase of air conditioning equipment in 1935 or 1936, and a few of them planning to buy more than one unit. Specifically, 32 contemplated purchases for an industrial plant, 70 for an office or store, and 79 for home—a total of 181 individual installations under consideration by the 225.

Answers to a question as to whom these *Business Week* readers would consult regarding an air-conditioning installation indicate that few prospective buyers propose to buy haphazardly through indirect or other suppliers whose business is not directly related to the line. Tabulation shows that 126 propose to go direct to the manufacturers, 37 would seek the advice of consulting engineers, Architects, heating contractors, public utilities, and local dealers scored 22, 26 and 5 votes respectively.

Cleveland Analyzed

Fifth instalment of Real Property Inventory makes Cleveland sure it can tell sales managers more about itself than any other city.

ARMED with more vital statistics about itself than almost any other city in the country, Cleveland credits its recovery from the depression's depth as much to its Real Property Inventory as to any other single endeavor; believes it has learned enough about itself now through this statistical self-analysis to know what products can be pushed to the greatest advantage in which communities as the upturn continues.

Many families have much and buy little. Other families have little and buy little. This geographical distribution of rich and poor has been worked out so completely in "Movements of Families," most recent addition to the statistical work of Cleveland's Howard Whipple Green, that sales opportunities, measured by neighborhoods and even by streets, are indicated to the intelligent merchandiser.

The first Real Property Inventory was initiated in Cleveland in October, 1932. In the fall of 1933, the C.W.A. approved this type of statistical research for inclusion among its projects. Later in December, 1933, the Bureau of Foreign and Domestic Commerce obtained a special federal grant of \$2.5 million for such inventories in 63 other cities. Four of these reports—for Austin, Tex. (*BW*—Jul 20 '35), Fargo, N. D. (*Aug* 24), Portland, Me. (*Sep* 14), and Columbia, S. C. (*Sep* 28)—have already been issued and others are coming.

Cleveland, releasing this week its fifth Green report, believes it is still far ahead of other communities in its knowledge of itself and is prepared to "cash in" on that knowledge.



TALKING IT OVER—When Henry Ford, accompanied by his son Edsel and other company officials, was in Schenectady recently to look over the 110,000 kw. turbine being built for the River Rouge plant, he found ample opportunity to compare notes on "the situation" with his old friend Gerard Swope, G-E president. There was also time for him to take a ride in a Ford car equipped with a telephone on which he rang up his Buenos Aires manager and his home in Detroit.

TWO BILLION

packages a year

THAT packages are popular goes without saying. Whether you are sixteen or sixty, it's fun to get them wrapped up and fun to open them again. The retailers of the land are called on to deliver into the homes of America *two thousand million packages a year.*

Thousands of International Trucks are devoted to this store-to-public service. Here is presented an International 1½-ton chassis beautifully coordinated with a body of streamline design for rapid handling of package delivery. A truck of quality and reputation—a *grand truck for merchandiser and customer.*

International Trucks serve *all* the hauling needs of the retailer, with capacities ranging from fast Half-Ton to powerful Trailer and Six-Wheel units, all of the high standard that produces *lasting economy.* Remember that International service is unified under the largest Company-owned truck service organization in the world. The near-by branch, or a dealer, will be glad to serve you.

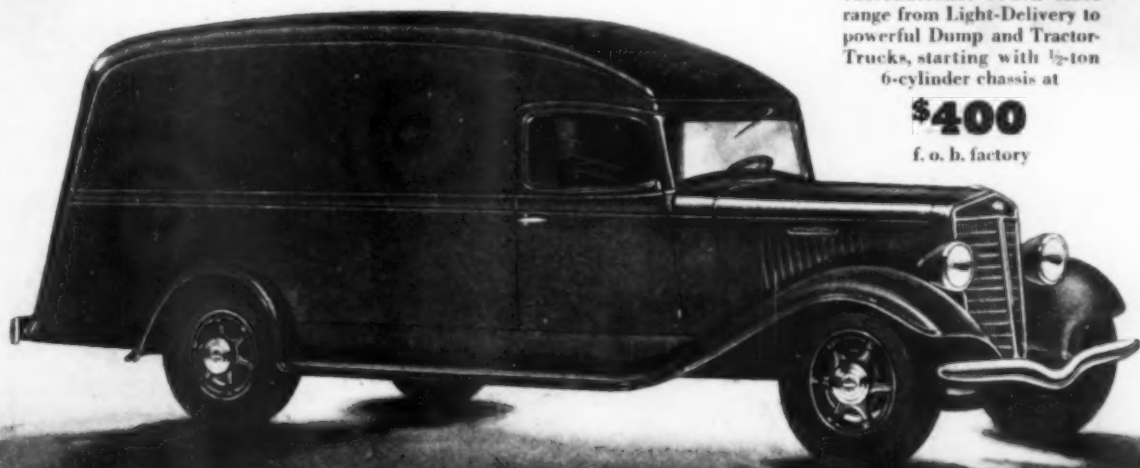


INTERNATIONAL HARVESTER COMPANY
606 So. Michigan Ave. OF AMERICA (INCORPORATED) Chicago, Illinois

International Truck sizes range from Light-Delivery to powerful Dump and Tractor-Trucks, starting with ½-ton 6-cylinder chassis at

\$400

f. o. b. factory



INTERNATIONAL TRUCKS



WAR ON THE WATERFRONT—Once again the militant left-wing Harry Bridges is active on San Francisco's waterfront as union longshoremen and truck drivers refuse to pass the bargemen's pickets (center foreground) to unload "hot cargo."

"Hot Cargoes"

Longshoremen strike on the Gulf; Pacific Coast employers demand a showdown on whether the union will stand by its agreement or back its radicals.

WATERFRONTS on 2 coasts seethe with another of those struggles between the hard-fisted huskies of the International Longshoremen's Association and the not too tender gentlemen who employ them. On the Gulf, an I.L.A. strike flares up. The issue is recognition of this union as bargaining agent for all longshoremen. New Orleans, Mobile, Gulfport, Pensacola expect alternate showers of brickbats and clouds of police gas. The infection may spread as affiliated unions in other ports hate to unload cargoes stowed by "scab" labor.

Meanwhile, the Pacific Coast recognizes the approach of another crisis. The far-flung Edward F. McGrady, Assistant Labor Secretary and Washington's No. 1 labor trouble-shooter, jumps a plane for Los Angeles and San Francisco. The danger focuses on the Golden Gate, where familiar antagonisms threaten a tieup of all Coast ports.

Out for Radicals

Events now developing on the Pacific Coast docks must be viewed against the fact that employers are putting on pressure to force a showdown, once and for all, with the radical union elements that they believe responsible for the

costly guerrilla warfare shipowners have experienced since renewal, early in September, of an agreement with I.L.A.—an agreement originally made following last year's general strike, by which the men won important concessions. The employers predict that, as a result of a carefully prepared plan of campaign which they are pushing step by step, the next 2 or 3 months will see the waterfronts "purged of troublemakers" and a period of peace under way. That is their intention. Business, slightly skeptical, devoutly hopes they succeed.

Test of the Award

Tactics are to force I.L.A. to abide to the letter by the award agreement it renewed only last month after an overwhelmingly favorable vote of its members. Certain phases of the agreement which, employers hold, the men have been violating (such as the 6-hour day and joint control of hiring halls) and at which employers say they have winked so far, are to be enforced down to the least detail. In other words, what is going on is a showdown on whether or not I.L.A. really intends to conform to the agreement. If it will conform, radical elements will have no loophole for stirring up trouble. If it

will not, the whole situation is thrown open again, and almost anything can happen.

"Troublemaker No. 1," in the view of employers, is the "bad boy of the Pacific," keen young Australian Harry Bridges, leader of radical labor elements, who neither confirms nor denies he is a Communist. He is slated to be an incidental, but important, casualty of the current conflict—if the employers campaign results as expected.

Bridges' Dilemma

Bridges is in a hot spot. His hold on the men depends on his ability to convince them he can gain them benefits. On the other hand, any trouble he may be trying to start is going to bring all the power of the waterfront employers down on him like a ton of bricks, plus the force of public opinion, which this year appears to be in no mood to tolerate serious trouble. Employers insist with determination that "Bridges is out." Business may be excused for being slightly skeptical, although it is realized the young man's affairs are definitely at a crisis.

Employers have already won several skirmishes in the battle by obtaining rulings on 4 disputed points by Federal Arbiter M. C. Sloss, previously appointed by Secretary of Labor Perkins. Judge Sloss ruled last week:

(1) Refusal to handle cargo emanating from plants, carriers, or ports having labor disputes with I.L.A. affiliated unions, such as bargemen and warehousemen, is illegal ("hot cargo" ruling).

(2) Refusal of longshoremen to pass picket lines (established by affiliated bargemen's union on docks holding "hot cargo" and through which longshoremen said they dared not pass) is not legal under the award.

(3) While the right of the individual longshoreman to "pick his job" is upheld, recent walkouts by entire gangs are illegal inasmuch as they were concerted moves.

(4) Employers are within their rights in demanding registration of additional longshoremen if the registered list, through refusal to work, is exhausted. (This brings in the possibility of hiring non-union men if unions are "unable to supply gangs").

Referred to Labor Board

As to whether employers were justified in "suspending" or "blacklisting" longshoremen who refused to handle "hot cargo," Judge Sloss ruled that he was without jurisdiction and recommended submission to the National Labor Relations Board.

Longshoremen, stunned by the rulings, petitioned for a rehearing, were denied.

Among the many immediate objections of employers are the restoration of joint control over the hiring halls



Plan for your own Golden October Days

IT'S pleasant to dream about the future . . . to think of the time you'll be financially free . . . to plan security for your years of leisure.

Such dreams need not be futile. They can fire the imagination and lead to a determined effort to transmute dreams into realities.

Few men can, by investing their own savings, build up a fund to provide for their later years and at the same time take care of present needs. Yet everyone wants to. A Life Insurance Program will provide the protection that every man wants for his family, and also will assure security and comfort in the years to come.

A Field-Man will gladly explain the Program best fitted to your requirements. Just telephone your local Metropolitan office and ask him to call, or mail the coupon.



The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life Insurance Co., (W)
1 Madison Ave., New York, N. Y.

Without obligation on my part, I shall be glad to have you give me information concerning an Insurance Program which will fit my needs.

NAME

ADDRESS

CITY STATE

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

© 1934 M. L. I. CO.



20 TON MIRROR... for world's largest telescope... will be ground and polished at California Institute of Technology, Pasadena, under controlled conditions of temperature and humidity maintained by Sturtevant Air Conditioning Equipment.

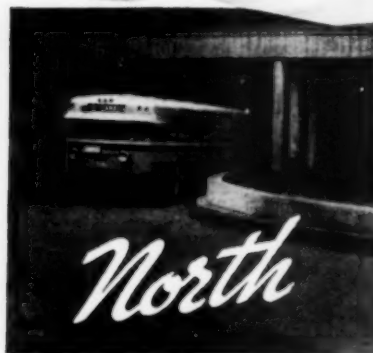
★
WORLD'S TALLEST skyscraper... New York's 85-story Empire State... Mecca of millions of sightseers... "breathes" with 52 Sturtevant Ventilating Fans. They inhale and exhale 40 tons of air every minute!

Sturtevant
REG. U. S. PAT. OFF.

Puts Air to Work

In every state in the Union... in practically every country in the world... on the job is Sturtevant Equipment... harnessing air for the service of mankind. And whether it's a kitchen fan for a humble cottage, a vacuum cleaning system for a skyscraper, or mechanical draft equipment for central power station... it's designed and built to Sturtevant's exacting standards... by engineers and mechanics who know their business... and who are backed by 70 years of Sturtevant experience.

B. F. STURTEVANT COMPANY **HYDE PARK, BOSTON, MASS.**
Sales Offices in 35 Cities. Plants at Hyde Park, Mass.; Framingham, Mass.; Camden, N.J.
Sturtevant, Wis.; Berkeley, Cal.; Galt, Ont. B.F. Sturtevant Co. of Canada - Galt, Toronto, Montreal



DETROIT-CANADA Under-river Vehicular Tunnel relies on 24 giant Sturtevant Fans for adequate, unfailing ventilation. Fans change air completely every 90 seconds.

★
DU PONT RAYON Company's new Spruance Plant No. 2, Richmond, Va.,... last word in rayon manufacture... is equipped with Sturtevant Complete-Air-Conditioning System. Installed by Cooling and Air Conditioning Corp., Sturtevant subsidiary.

WORLD'S LARGEST MAKERS OF AIR EQUIPMENT

for Air Conditioning, Ventilating, Heating, Mechanical Draft, Drying, Vacuum Cleaning, Pneumatic Conveying, Dust Collecting, Compressing, and other Related Purposes.



(granted by the award) and elimination of overtime—ruled out by the 6-hour-day clause of the agreement. The I.L.A. has been allowed to gain control of the hiring halls, but employers are determined to "crack down" on that asserted violation. The 6-hour-day clause was designed to spread employment but, say employers, the men have forced overtime and have not been willing to quit work at the end of 6 hours to make way for other workmen. This practice employers say they intend to stop.

Conciliatory Move

The Waterfront Employers Association oiled the wheels of harmony considerably when it announced it was ready to pay the men "back wages" due them under the retroactive clause in the original agreement, amounting to nearly \$500,000, upon presentation of "authenticated claims" by each man.

Following Judge Sloss' decision, employers also agreed to reinstate "black-listed" men barred from employment for their refusal to work "hot cargo."

The guerrilla warfare carried on by maritime workers in all principal ports of the West Coast, the most flagrant aspect of which was the practice of tying up a ship immediately prior to sailing on the basis of trifling grievances (the *President Coolidge*, *President Pierce*, and *Point Lobos*, in San Francisco; the *Chiriqui* in Los Angeles), has apparently brought shipowners and waterfront employers to the point where conditions became intolerable. Costs have mounted, the uncertainties of the situation have hampered business of steamship companies, and accidents in loading and unloading have increased 50% in the last 3 months.

The fact that this is the peak period for shipping the coast's fruits to foreign ports, and that delays are disastrous to the fruit industries, further impelled current moves for a final showdown with labor.

Coal Strike's Wake

Everybody but the man who burns coal is happy with the compromise. Differential threat remains.

ONCE more the American public stops watching those bad boys quarreling at the mines—and turns to other troubles. Digging was resumed in the coal fields on Tuesday, is scheduled to continue until Apr. 1, 1937. But that doesn't mean that the argument is over.

Last April, when the old agreement expired—before the 4 extensions—John Lewis demanded a 6-hour day and an increase in the combined cutting and loading rates of 15¢ a ton. Although the 5-day week continues the unions have won a 9¢ wage boost. Seven, not 6, hours still constitute the working

day. In addition, there are other wage boosts—50¢ a day to all day and monthly men, 10¢ in pick mining rates and 10¢ more on yardage and dead work.

All in all, it is estimated that the public will pay 15¢ a ton more for Appalachian coal—which on a production of 250 million tons means \$37½ millions on the yield in that area alone.

Partial Victory

As usual, the miners struck for a lot and got something—probably about what they expected. The operators wore the wage demand down from 15¢ to 9¢ and dodged the shorter day. So everybody is pleased—if you forget the ultimate consumer who must begin to pass out a little more for his coal.

There remains for future settlement one other forbidding problem. The joint sub-scale committee of sixteen of the late conference has agreed to take up and dispose of the disputes on tonnage and day wage rate differentials which were brought before the conference and not acted on. They promise, if they cannot agree, to lay the issue before a Judge of the Supreme Court of the District of Columbia. If changes in differentials are required, they will reassemble the Appalachian Conference by Feb. 1, 1936.

These differentials, thus left in the air, have bedeviled the bituminous industry for years. They have grown up out of local competitive conditions, and are a maze of complications. When miners are in the habit of demanding a disparity in wages between neighboring fields—for instance, a difference of 10¢ per ton between 2 sides of the same mountain—no settlement promises permanence. So the differential still remains to plague the industry and to give one operator an edge on his competitor.

More Agreements Due

Meanwhile, negotiations to complete the supplementary regional agreements, all based on the Appalachian scale, are proceeding rapidly throughout the country. There were 4 or 5 agreements to be signed in Ohio, 4 in Indiana, 1 in Michigan, 1 in Illinois, 3 in Iowa, 6 in the Southwest area (Kansas, Missouri, Oklahoma and Arkansas), 1 in Alabama, 1 in Southern Tennessee, 1 in Washington, and some 12 in the Rocky Mountain area—Colorado, New Mexico, Montana, Utah, and Wyoming. In many of these areas, notably Washington, separate mine contracts are specified. In Indiana, Illinois, Iowa, and the Southwest there are both strip and deep mine agreements. In the Appalachian field itself there are separate agreements in Ohio, Pennsylvania, Maryland, West Virginia, Eastern Kentucky, and Northern Tennessee. So the perennial black cloud in the coal fields still hovers on the horizon.

So your dealer can say "Here I am"



Dealer identification made easy through the classified telephone directory

Prospects who remember the name of your brand can quickly learn "where to buy it" in their town—if your brand name is listed in the classified telephone book.

Most consumers know that the classified telephone directory tells "where to buy it." Surveys show that more than 85% of telephone subscribers use the classified to help them with their buying.

It brings in telephone sales and "over the counter" business. Get that business!

Circulation figures and specific estimates furnished upon request.

CLASSIFIED TELE

Automobile Painting—(Cont'd)

DUOD REFINISHING

Automobile body and fender straightening and refinishing. Work done a specialty. All kinds of refinishing—emailers. Touch-up to complete re-equip jobs.



"WHERE TO BUY IT" DISTRIBUTOR

KEYSTONE DUOD CO. 10 & Luster RAD ch 8717

AUTHORIZED REFINISHERS

Brackbill Chas Co 2314 N 2 REG no 9474

Bratenbach Jos 6196 Palmetto av PH gro 0646

Trager's Emile Sam 1326 Center St GER no 2036

KEYSTONE AUTO BODY CO 2375 Fairmont st PEP no 1080

Keystone Auto Works 4725 N Park st WIC hgh 8282

MODEL AUTO PAINTING & BODY WORKS 1711 Federal RDW no 4308

Wannery P H 1451 Racine st GLE det 0720

FORMAN FRIED & FISHER INC

141 N 22 RD ch 3101

Frost Max 4747 Wai SHE no 5652

Cable Chas I Co 174 Reed DEW no 5145

Ginger & Schrey 1851 N Watta STE no 8162

Gerwin Auto Radiator Co

AMERICAN TELEPHONE & TELEGRAPH CO. Trade Mark Service Division

195 Broadway
New York (EX 3-9800)



311 W. Washington,
Chicago (OFF 9300)

IS YOUR INDUSTRY MAKING MONEY

?

IS IT READY TO CASH IN AS RECOVERY GAINS HEADWAY

?

You as an individual can't make money unless your industry makes money. No single company, unless it is big enough to dominate, can do much to alter or improve conditions throughout a whole industry.

It has been demonstrated, however, that organization and co-operation can accomplish for an industry many things that individual companies cannot attempt for themselves.

Right now, because of sound constructive co-operation, group effort and action, a number of industries are in enviable positions, ready to cash in as recovery gains momentum.

If your industry is not organized to take advantage of conditions—not agreed as to common policies and efforts—and if co-operation can help the situation—we should like to talk with you. We've had much experience and considerable success in bringing individuals together and helping companies co-operate to their mutual advantage.

We make no Moses or prestidigitator claims. We can't do the impossible. We solicit no inquiry from the disgruntled individual who finds his competitors all out of step. Nor do we wish to interfere between any qualified secretary or commissioner in an established association.

But we have been and can be of help in bringing groups together for the first time, in renewing co-operation where it has faltered, in aiding individuals to think and act together for their common good.

Our record for honesty and sincerity is attested by industrialists of high standing. In writing us you will obligate yourself in no manner, and your inquiry will be held in strictest confidence. If your industry needs help such as outlined above, we will be glad to discuss the matter in detail.

ADDRESS BOX No. 221
c/o "BUSINESS WEEK"



DOOR-TO-DOOR BY RAIL AND ROAD—Keeshin Motor Express Co. of Chicago loads its Fruehauf trailers right at the shipper's factory door, hauls them on to Rock Island flat cars, transports them overnight to Rockford, Peoria, and other cities, delivers the freight direct to consignees next morning.

No Depression for Trailers

The relatively new industry making commercial and passenger trailers is setting records, getting organized.

MANUFACTURERS of automobile trailers have been smashing all-time records this year. Commercial trailer builders are expected to sell around 15,000 units, representing a gross business of \$15 millions during 1935 (each trailer sale bringing an average of \$1,000). Passenger trailer volume is known to be the highest ever attained.

There is scarcely an industry which has had so lusty a growth as trailer manufacture. Where other industries have experienced severe setbacks during the depression, it has steadily expanded. In 1929 a total of 193,044 trailers were registered in the United States; by 1933 the number had risen to 472,789; last year it jumped sharply to 615,315. This year will show a further gain.

Unfortunately these figures aren't broken down. They include everything classified as trailers, from a home-made affair consisting of 2 wheels, an axle and small storage cart, up to a giant commercial trailer. The industry itself is still in the first stages where factories vary greatly in size, ranging from converted home garages to modern manufacturing plants. The total probably is 350 to 400, most of which do a local business. Unlike its parent automobile industry, the trailer industry does not center at Detroit (although Fruehauf Trailer Co., largest trailer company, is there). It is scattered over the country.

Production of commercial trailers and of passenger trailers has been kept apart, no company yet having gone into both. Less than half a dozen companies attempt to sell nationally (Fruehauf, Highway Trailer Co., Trailer Corp. of America, Kingham Trailer Co.). General Motors Truck and Mack are the only truck makers who have entered the trailer market, and their chief interests lie elsewhere.

Compromise With Trailers

The trailer people always have had a scrap on their hands. All truck makers used to battle them, because every trailer sale meant one less truck sold. Lately dealers handling light trucks have worked with trailer manufacturers to get commercial users to buy Ford or Chevrolet tractors and trailers instead of large trucks for heavy-duty work, chief inducement being lower cost. Example is the coal-hauling tractor-trailer unit of Fruehauf which can carry a 9-ton payload.

The trailer industry's latest fight is against being legislated out of business by excessive taxes and limitations on length and loads of vehicles. Because of restrictive measures already passed by some states, commercial trailer companies have concentrated engineering skill on getting maximum payload into smallest possible space, putting a premium on lightness of weight. Most

"BEST MANAGEMENT TOOL WE EVER HAD"



GETTING figure facts while still hot . . . in time to guide business policies . . . that's how big economies are secured today in modern accounting practice.

Close control of purchasing, production and inventory makes for better profits. For example:

"Weekly and monthly reports for 40 stores obtained by 'Comptometer' Peg-Board methods," says W. A. Collier, Sec.-Treas. of Zinke Renewing Shoe Corp. of San Francisco, "enable us to plan purchasing and production more systematically, package goods more efficiently, arrange inventory more economically.

"By this method we get greater accuracy than ever before; at least 50% less fatigue from summarization work. One posting serves where 40 formerly were necessary.

"And on top of it all we save more than \$2500 yearly in getting this information for our San Francisco and Los Angeles offices.

"The 'Comptometer' Peg-Board is the best management tool we ever had."

Wide application of the "Comptometer" Peg-Board combination . . . its low cost of installation and operation on various forms of distribution and other forms of figure work . . . bring profit results and savings. Let a "Comptometer" representative tell you about it. Phone the local "Comptometer" office or write: Felt & Tarrant Mfg. Co., 1733 N. Paulina St., Chicago, Ill.

COMPTOMETER

Reg. U. S. Pat. Off.

trailers thus are being built of alloy steel, some of aluminum.

Biggest market for commercial trailers is among commercial haulers. Sales to breweries, creameries, meat packers, bottlers, and perishable-food merchants, all of whom need refrigerated trailers, have been 3 times greater than a year ago.

Even greater localization of sales and manufacture is found in passenger trailers than in commercial trailers, with a few notable exceptions. Aerocar Co., Detroit, is building a semi-trailer "land yacht," designed along airplane lines and pulled by a passenger coupé, and semi-trailer sales display coaches used as portable showrooms by such companies as General Electric, Singer Sewing Machine Co. The Curtiss Aerocar Co., Inc., Coral Gables, Fla., makes de luxe semi-trailers which are homes on wheels (as are the "land yachts") with bed, kitchen equipment, refrigeration, homelike furniture. Prices range from \$2,000 to \$5,000.

For the Little Fellow

The swarm of small companies making passenger trailers for the "tin can tourist" trade get \$300 to \$600 for their products. They are doing pretty well as a class. Proof is the number of trailers found any summer night in any tourist camp or state park in the country.

Sales of passenger trailers of varying sorts are expected to grow in the next 5 years, perhaps lead to stabilization of what is now mostly a hit-or-miss industry. As the volume rises, older and more experienced car body builders are likely to be drawn into this new and almost untouched market.

Boulder Dam and the Southwest

Advent of block of cheap power equal to total already available in region calls for long-time planning, inducements for heavy industries.

BOULDER CITY (*Special Correspondence*)—While 12,000 persons who had travelled through the desert heat were savoring the dramatic values of the Presidential show at Boulder Dam on Monday, hard-headed business men of the Southwest were going behind the spectacle to look at the economic potentials which give this week's ceremony its real importance in history.

At Boulder City the chief piece of immediate business news came from the local post office where buyers of first-day covers bearing the Boulder Dam commemorative stamp ran Dedication Day's total of cancelled mail up to about 200,000 pieces, something like a hundred times the average day's business.

For the Southwest the outstanding business news lay in its estimates of the effect of Boulder Dam on the industrial power situation. Southern California is constantly pressing for industrial development; hence the sudden advent of a block of cheap power equal to the total previously available in the region bulks tremendously big in its industrial planning.

Utility Setup

At present, southern California has 4 major electrical utility companies: Southern California Edison, Los Angeles

Gas & Electric, Southernerras Power, San Diego Consolidated Gas & Electric. In addition there is an extensive generating and distributing system owned and operated by the city of Los Angeles, and municipal systems in 3 smaller communities—Pasadena, Glendale, and Burbank.

The installed capacity in all these power sources combined totals 1,575,000 kw. To this the ultimate development of Boulder power will add 1,317,000 kw. and, while generators for all of this may not be installed for some time, there is assurance of a surplus of low-price power for years to come.

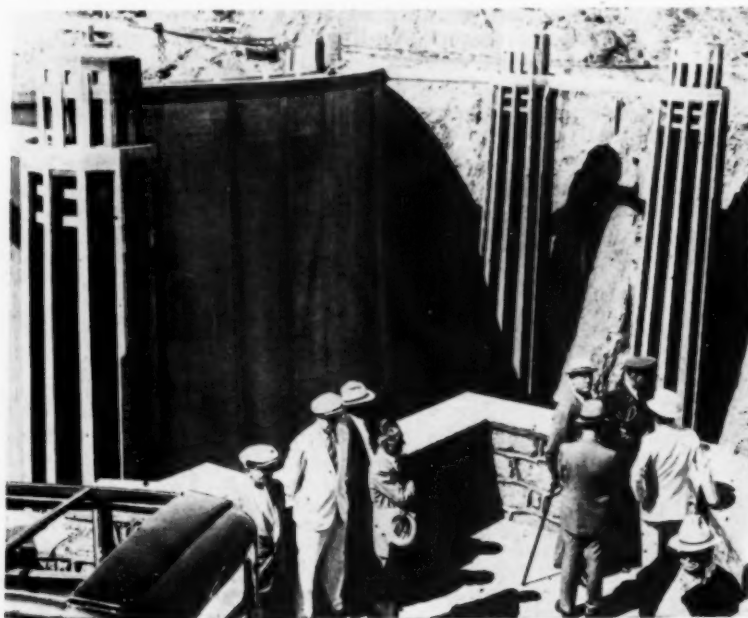
Must Use or Sell

Contracts for Boulder power were signed up 5 years ago on the basis of 1.63 mills per kw.-hr. for falling water—a price basis which tends to force the purchaser to use or sell the power purchased because he must pay whether the potential power allotment is used or not. Looking forward to entry of Boulder power into the field, the private companies that have contracted for the power and must market it have announced rates intended to attract heavy industries. In large blocks and at a 75% load factor, delivered (transmission lines from Boulder Dam to Los Angeles are 225 miles long), the 1.63 mill rate for falling water amounts to about 3 mills per kw.-hr.

The runoff from the drainage basin behind the dam will affect the power production somewhat. It is significant that the runoff last year was only 20% of the annual amount (total for 1934 only 3,719,000 acre-feet as compared to a 32-year average of 18,000,000 acre-feet) but there is time to accumulate storage as contracts with the private utilities do not bind them to take power until 1938 or 1939. Present indications are that the Los Angeles Bureau of Power and Light may be able to take its allotment in 1937 or 1938.

Temporary Setback

When contracts for Boulder power were signed 5 years ago there was every prospect of the usual steady load increase in the succeeding years. The depression has foiled this expectation and while the power for use in pumping water in the Colorado River aqueduct will be required as was planned, the private companies and municipalities which contracted for blocks of power are now facing a marketing problem. Diligent efforts are being devoted to that end and every inducement to urge



"SPLENDID SYMBOL"—With Boulder Dam as his inspiration, President Roosevelt this week devoted the second of the 4 addresses which he delivered during his Western tour to a strong justification of his public works program.

KEEP ALL THOSE NEW PRODUCTION MACHINES *Earning!*

MODERN, cost-saving equipment is helping you to hold a safe margin even on limited volume. But remember—even "the last word" in production machinery can be no more efficient than the speed reducer that runs it.

The big job of Cleveland Worm Gear Drives is to keep machines *earning*: mills in rubber, steel, cement and sugar; elevators that unite the separate floor activities in multi-story factories into simplified, straight-line production; the varied assembly of equipment throughout the food industries; and scores of others.

Cleveland Worm Gear Drives hold the responsibility of transmitting power with minimum loss and at the correct machine speed. They are built with full realization of responsibility in maintaining steady, dependable production. Cleveland has built Worm Gear Drives exclusively for more than 23 years, and their remarkable performance is the direct result of this specialization.

Your Engineers know Clevelands. In the degree that you hold these men responsible for profitable plant operation, why not follow their counsel when they recommend Cleveland Worm Gear Drives?



Cleveland's experience, covering methods employed for more than Two Decades in applying Drives to a wide variety of requirements, should prove helpful. A District Engineer will gladly call. The Cleveland Worm & Gear Company, 3255 East 80th Street, Cleveland, Ohio.

CLEVELAND *Worm Gear Drives*



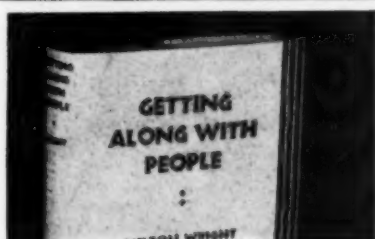
How can he? Shave in an easy chair, read a newspaper and not remove his shirt?—You can do this with a Schick Shaver. For you need no messy lather, no preparation whatever, and you get a quick, clean shave.

There are **NO BLADES** in a Schick Shaver, so you cannot cut nor hurt yourself in any way. Continuous use of the Shaver rids your face of the dead, calloused skin which is replaced by a younger skin still easier to shave clean.

It pays for itself many times over, no blades to buy, nothing to sharpen or renew.

ASK YOUR DEALER to show you a Schick Shaver. If none is near you, send \$15 to Dept. R.

SCHICK DRY SHAVER, INC., STAMFORD, CONN. Western Distributor: Edises, Inc., San Francisco. In Canada, Henry Birks & Sons, Ltd., and other leading stores. (Canadian price, \$16.50.)

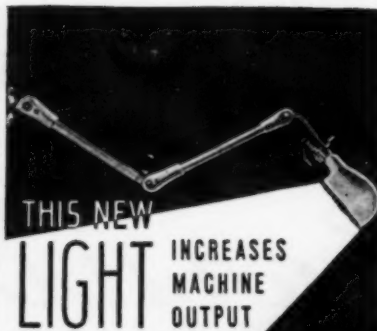


*Gain your ends
in personal relations
by learning:*

- how to read character
- why people will like you
- how to adapt yourself to the other fellow
- how to attract attention
- how to establish right relations
- how to build reputation
- how to use suggestion
- when to bluff, to reason, to use humor
- how to say no
- how to become a leader

SEE THIS BOOK 10 DAYS ON APPROVAL—SEND THIS MCGRAW-HILL COUPON
McGraw-Hill Book Company, Inc., 330 W. 42nd St., New York City
Send me Wright's *Getting Along With People* for 10 days' examination on approval. In 10 days I will send \$2.50, plus few cents postage, or return book postpaid. (Postage paid on orders accompanied by remittance.)

Name
Address Position
City and State Company BW-10-5-35
(Books sent on approval in U. S. and Canada only.)



**THIS NEW
LIGHT
INCREASES
MACHINE
OUTPUT**

Eliminating glare and reducing eye strain by the properly engineered, easily directed, high intensity illumination of the Fostoria Machine Lamp, insures increased production, less spoilage and few accidents. In one plant, savings by increased production alone, paid the complete cost of new equipment in 90 days. In another, output of machines was increased 21%. A study of your requirements will be made by a Fostoria representative—no obligation.



Do people like you instinctively?

Do you want to impress them favorably, get along well with them, influence and lead them? Today, to be successful in almost any field, you must know how to deal with people—you must be able to win their friendship, their respect and their cooperation.

Now there is a new book that shows you how to acquire this ability. Sound and practical, this book deals with the sort of problems in meeting and handling people that you face—gives plain methods and suggestions that will fit into your experiences with people—shows how to make your contacts smoother, pleasanter, more resultful.

GETTING ALONG WITH PEOPLE, by Milton Wright, tells you precisely what to do and say, and why you should do it, to secure the results you want in countless situations in business and social life, in everyday contacts, and in important situations with a major bearing on your life and happiness. With many practical examples and with illustrative problems that Wright helps you work out, he shows you:

- how to get along with others
- how to secure effective cooperation of superiors, associates, subordinates, friends and acquaintances
- how to meet people properly and deal with them smoothly and efficiently

industrial power users in the developing territory.

One major outlet is the territory to the north in central California. This is beyond the economical transmission range from Boulder dam (about 300 miles) but a plan is under consideration whereby certain large generating plants of Southern California Edison Co. on Big Creek, some 140 miles north of Los Angeles, may be connected to the southern end of the central California network, thus effecting an economical transfer of energy to the northern region.

Prison Problem

Attempt to solve it by confining prison-made goods to state lines, faces same old difficulties.

HASTE or politics threw a monkey wrench into the White House appointment of the new Prison Industries Reorganization Board. Failure to make even the barest gesture to the prisons themselves is expected to bring about an indifference on their part that will bog down the entire program by which it was hoped to solve the old problem of prison goods competition.

The board announced by the White House when President Roosevelt was at Boulder Dam consists of Judge Joseph M. Ulman, of the Supreme Court of Baltimore, Md.; ex-professor Louis N. Robinson, of Swarthmore College; Linton M. Collins, former NRA administrator of public agency codes; Gustave Peck, formerly of the NRA Labor Advisory Board; and James P. Davis, former NRA administrator in charge of the cotton garment code.

Board Is Prejudiced

Prison men see in the membership of the board that its entire efforts will be devoted to putting over the "exclusive state use" system (limitation of prison-made goods to use by state and local governmental institutions). Ulman recommended it in the survey he made for NRA on prison goods competition in the cotton garment industry; Collins helped write that report; Peck is an out-and-out labor man; and Davis has in his background his former charge, the cotton garment industry.

Back when NRA was in full swing a compact was entered into by all the states and the federal prisons setting up a Prison Labor Authority. After NRA was "Schechterized" and the prison goods problem forgotten in its "skeletization," the Prison Labor Authority, legalized under the compact, continued its work.

Having no federal aid, the Authority evolved the idea of having the states ask for WPA funds to make surveys of

their penal institutions with an idea of diversifying their production and turning some of their labor to recreational and educational work.

The new NRA was asked to help by consolidating the surveys, 19 states already having asked WPA funds before the Sept. 12 limitation on WPA applications went into effect. NRA liked the idea so well or New Dealers saw such a fine opportunity to throw a sop to the textile industry, which has been on its neck because of Japanese competition and the AAA cotton program, that the Administration decided to take the entire idea over by setting up the Prison Industries Reorganization Board and appointing men whose stand on prison goods competition is well known.

While the idea might sound good and make real good politics, those in touch with the prison labor situation insist that it will not work. Refusal of the states to cooperate, particularly those that are enjoying a profitable business and do not want to be put on an exclusive state use basis, is freely predicted.

End of the Run

Success of Marshall Field's *Merchandise Express* may lead to longer tours next year.

MARSHALL FIELD'S *Merchandise Express*, which carried the Chicago company's wholesale lines to out-of-town dealers (*BW*—Sep 7 '35), has gone into retirement until 1936. More than 60,000 individual merchandise orders with an aggregate value of nearly \$1½ millions were obtained on its 4 tours covering more than 10,000 miles.

This unexpected return makes it probable that next year will find the idea carried out on a broader scale, possibly even including trips into Canada and Mexico. The Cuban government has suggested that the train be ferried over from Florida and exhibited in Havana and this is being considered.

The Eastern tour through Ohio to Wheeling and Pittsburgh showed the best sales per stop.

Gag Market Fight

The raw material of radio comedy skits is the spoken gag. Producers of this commodity are hopping mad at wholesalers. The joke originator who wrings an original laugh out of his system sells it to a humorous magazine on a piecemeal basis, getting about \$5; a gag man whose only equipment may be a sharp eye and a pair of scissors lifts the joke and includes it in a program that may pay him \$1,000. *Life* sued Eddie Cantor, alleging that his gag man had snatched one of its pieces. *Judge* accused Ed Wynn of raiding one of its pages for 3 gags. Writers have talked of organizing to force payment by entertainers every time a joke is used. One deterrent is the possible claims on the entire industry by Joe Miller's heirs.



HEATH STUDIOS

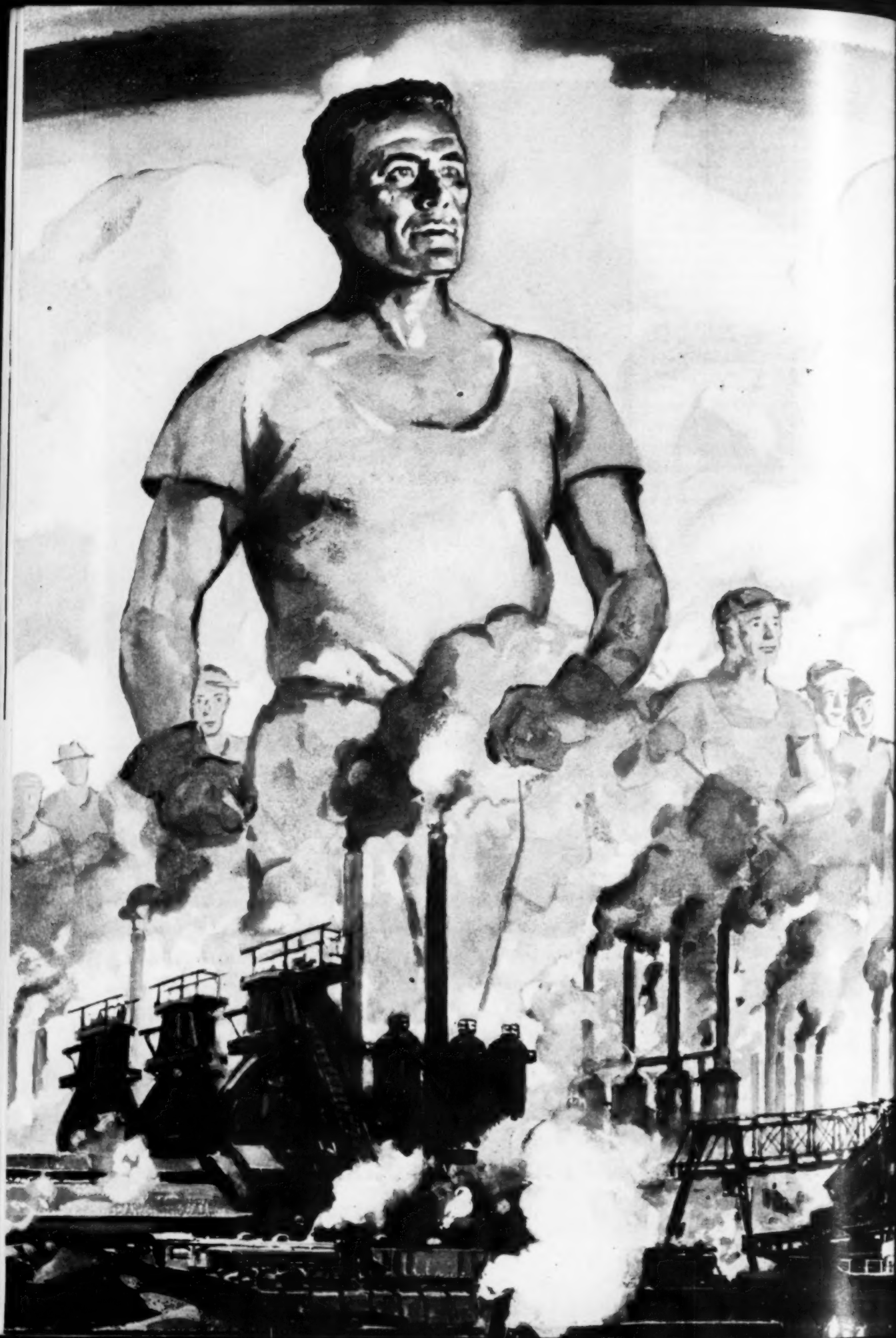
Comfortable

True comfort not only involves physical relaxation . . . but peace of mind as well. This complete freedom is available to those who remove the fear of financial loss due to numerous hazards, through adequate Casualty Insurance and Bonds in a strong institution such as the Standard Accident Insurance Company of Detroit.

A financially secure insurance and bonding institution, giving nation-wide protection and service through 6500 representatives. More than \$140,000,000 paid in claims in 51 years.

Automobile insurance . . . personal accident and health . . . burglary and holdup . . . plate glass breakage . . . all forms of liability . . . workmen's compensation . . . fidelity and surety bonds.

STANDARD
ACCIDENT INSURANCE COMPANY
of Detroit



Steel C
Compan
the ind
with th
profound

Corriga
of pig
holding
termina
strategi

Newton
the gre
in meet

Republic
ducer o
of Endu
Republic

Republic's
entalized b
and progr
bring far-r
its industry
large. The
part of the

GENERAL
TUBULAR
SHEETS •

OCTOBER

A GREATER REPUBLIC STEEL CORPORATION NOW OFFERS AN EVEN BROADER SERVICE

TO AMERICAN INDUSTRY



WHEN the Corrigan McKinney Steel Company and the Newton Steel Company, both highly important factors in the industry, recently merged their futures with that of Republic—it was a move of profound importance to industry at large.

Corrigan McKinney is an important producer of pig iron and steel, with tremendous holdings of northern ores, advantageous terminal facilities on the Great Lakes, and strategically located plants.

Newton Steel, situated near the heart of the great automotive industry, specializes in meeting many of its major requirements.

Republic is already the world's largest producer of alloy steels—the exclusive maker of Enduro, the perfected stainless steel.

Republic pioneered in the development of

electric weld pipe. It is the sole maker of the marvelous rust-resisting Toncan Iron—the widely used Agathon alloys—and the new Republic Double Strength Steel, a revolutionary high tensile metal.

It is also unexcelled in the manufacture of high grade, plain carbon steels for products in which forging, heat-treating, or machineability are vital factors.

Republic is young, alert—unfettered by old ideas—helping manufacturers in the profitable application of modern metals to modern needs—showing the way toward better products and better profits.

And now, with its assets and its opportunities tremendously expanded, a greater Republic Steel Corporation offers an even broader service to American industry.

Republic's tremendous facilities, realized by a spirit of service and progress, are destined to bring far-reaching benefits both to industry and to the public at large. The illustration shows a part of the Youngstown plant.



Republic—already the world's largest producer of alloy steels—has the greatest capacity for the production of the new stainless steels which you see so widely used today on a great variety of different products.

REPUBLIC STEEL CORPORATION

GENERAL OFFICES: YOUNGSTOWN, OHIO ★ ALLOY AND CARBON STEELS • TONCAN IRON • STAINLESS STEEL • PIPE AND TUBULAR PRODUCTS • BARS AND SHAPES • HOT AND COLD ROLLED STRIP • PLATES • BLACK, BLUE ANNEALED AND GALVANIZED SHEETS • SPECIAL FINISH SHEETS • TIN PLATE • NUTS, BOLTS, RIVETS, ETC. • WIRE PRODUCTS • DIE ROLLED PRODUCTS

Death Light for Insects

Business cooperation with university experimenters results in revolutionary method of protecting California crops against pests.

STRANGE blue lights throw weird beams these nights through the fog-shrouded artichoke fields of central California's seacoast country. Few among puzzled passersby know these lights are revolutionizing methods of insect control and promising big savings for nearly every type of agriculture.

Incidentally, they are byproducts of government regulations against dangerous chemical residues on fruits and vegetables, which have called for some means of controlling insects other than the application of chemicals toxic to human beings.

"Favorite Colors"

Prof. W. B. Herms and his assistant, J. K. Ellsworth, of the Department of Entomology, University of California, experimenting in their laboratory with the effect of colored light on insects, found that each type of pest has a "favorite color." Continued experiments indicated the color preferences of each kind of flying insect and the exact intensity which attracts it most effectively. The grape leafhopper, for instance, nightmare of California's vineyardists, prefers pale blue. So does the artichoke plume moth. A device was worked out putting these discoveries to actual use in the fields. It consists of a wire cage 8 in. in diameter, the alternate wires being connected to the terminals of a transformer which supplies enough voltage to electrocute the insects. A luminescent tube is used as a lure and is suspended along the axis of the cage so that the insect will come in contact with the wires as it flies toward the light.

Tried on Artichokes

First to benefit by the discovery are the artichoke growers (5 California counties produce the entire United States supply, half of which retails from pushcarts on New York's lower East Side). These growers were particularly up against it because the structure of their vegetable prevented use of chemical sprays. The chemical residue could not be removed. Field sanitation was their only defense against inroads of the plume moth, and worminess averaged 25% for a given crop. Growers found that the Monolites (trade name of the patented device developed from the Herms and Ellsworth discoveries) reduced that average to 3%.

The artichoke grower uses one light to the acre and his costs for the device, its installation (underground wiring) and labor run \$30 an acre. Further experiments may reduce the need for

lights to one for every 2 acres. Life of the device is 10 years.

Applied to vineyards this season, the Monolites are expected to fight the destructive grape leafhopper to a standstill. Grape growers have not been prevented from using chemical sprays, but cost of spraying has run anywhere from \$3 to \$35 an acre. Use of chemicals has often affected the health of the plant as well as the quality of the grape.

Other Advantages

Growers have found many other advantages in the new method besides radically lower costs and greater efficiency. For instance, lights do not stunt the growth of leaves surrounding the fruit and necessary to protect it from hot sun and dry wind.

Following completion of vineyard installations drastic attention will be given to the codling moth of the apple orchards. Next will come mushrooms, then tomatoes and other products of the truck garden.

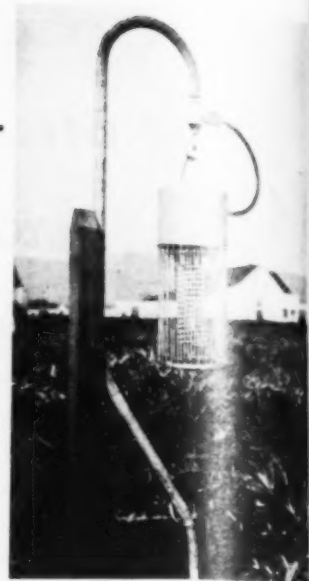
Much of the credit for working out this revolutionary method is due the California Committee on the Relation of Electricity to Agriculture, which has financed Professor Herms' and Mr. Ellsworth's experimental work and field applications. Organized 12 years ago, the committee is a cooperative enterprise of university men, ranchers and growers, electric utility officials, and electrical equipment manufacturers, whose backing is responsible for notable discoveries in soil heating, irrigation pumping, application of electricity to the dairy and poultry industries, and dehydration of fruits and nuts.

Primary reason for success has been that the committee has had no money for visionary schemes, has financed only those ideas which gave immediate promise of increasing production, saving labor, or cutting costs. Discovery and development of light beams for insect control is the biggest job yet tackled.

HOLC—Realtor

With foreclosures mounting, the Home Owners Loan Corp. is also a selling and renting company.

HOLC delinquencies are stepping up. At the end of August the Home Owners Loan Corp. reported that 1,614 foreclosures had been made, that delinquencies totaled slightly less than 20%,



DEATH RAY—Everybody knows about the moth and the flame. California now has a more scientific way of destroying insect pests. Colored lights (varied for different pests) attract the insects and electrocute them, eliminating need for sprays.

and that interest of \$41 millions and principal of \$34 millions were overdue.

With \$3 billions in mortgages on 910,000 homes, HOLC expected some defaults. Now they are coming. Officials indicate that the foreclosure rate is up to 300 weekly and will reach a total of 5,000 by the end of the year.

As a result, HOLC has gone into the real estate business in earnest. The corporation is scanning the ranks of the public for buyers and when none are available they are looking for renters. The Boston area is the worst from the standpoint of foreclosures, with 1 out of every 200 landing in HOLC's lap. Chicago is contributing only 1 out of 2,500.

Didn't Expect Collector

Nearly half the 1,614 foreclosures were made on mortgagors who thought the government never collected, and simply refused to pay up. A good portion of the remainder represented properties where the owners had just walked away and left HOLC in complete charge.

HOLC gets tough in about the same manner as a real estate agent. If the mortgagor becomes delinquent he gets a letter. In about a month, if he hasn't paid up, he gets another and more threatening letter. If another month goes by without payment, a really insistent letter is forthcoming and then, if delinquency persists and the mortgagor cannot show acceptable cause for leniency, HOLC starts foreclosure proceedings.

You say you can save me money...increase my profits?
If you're willing to give **REAL STUDY** to this problem, I'm willing to be **SHOWN!**

The Ablest Business Men Are Always *Open Minded*

Are you wary of salesmen who come to you with ill-considered plans for bettering your business? *We don't wonder!*

On the other hand, do you discourage representatives who are willing to match your problems with the requisite amount of study? *"To the contrary,"* we hear you say, *"may their numbers multiply!"*

In principal cities throughout the United States and Canada are groups of hand-picked men who have been trained to locate unusual opportunities for savings in every kind and size of business.

These men are thoroughly acquainted with modern methods of producing effective direct advertising, selling helps, and a wide variety of office, store and factory forms... more speedily and economically.

They delve into your problems... work out comparative costs... and charge no fee!

In Birmingham, Alabama, at a time when business was not so good, one of these representatives... challenged by a retailer... met the problem with Multigraph. Letters and handbills were persistently mailed to 1200 customers and prospects. Sales increased *fourfold!*

In Richmond, Virginia, another of these representatives grappled with the problem of providing the 7,000 retail customers of a wholesale house with large broadsides, two-color posters and effective handbills. He solved that problem with Multigraph, at a saving of from 40 to 60 percent.

In Toledo, Ohio, still another of these representatives acquainted a prominent glass manufacturer with some of the economies now possible through Multilith... *simplified office lithography*. Within two years Multilith had effected a net saving of \$5,000... expanded customer service... *"and provided many forms and advertising pieces which would not have been practical at ordinary prices."*

The moral of this little preachment? Simply this:

When our Multigraph representative calls... *see him!*

When he suggests that you permit him to round up your selling helps, your office, store or factory forms and provide you with comparative cost figures that will stand up... *accept his suggestion!* It's a money-maker!

When he proposes definite ways in which you can profitably expand your sales... *hear what he has to say!*

If you have a questioning mind, that's fine. So have we. But... for the sake of your record as a profit-maker, tell our representative that you're willing to be *shown!* Reach him through phone books in principal cities... or write to

MULTIGRAPH COMPANY

Division of
Addressograph-Multigraph Corporation
CLEVELAND, OHIO
Offices in All Principal Cities of the World

HOW CAN YOU INCREASE YOUR PROFITS?

ASK YOURSELF THESE 10 Questions

- 1 Have I considered the fact that from 80% to 90% of my printing could be done inside my business?
- 2 Have I inquired into the possibility of saving from 25% to 60% in printing costs?
- 3 Have I figured what I may be wasting due to overstocking and obsolescence of printed matter?
- 4 Am I aware of the possibility of using more advertising without increasing my budget?
- 5 Are my present methods slowing up collections and causing excessive expense?
- 6 Have I kept up-to-date on direct mail methods?
- 7 Am I taking full advantage of Multigraph and Multilith for duplicating, printing and lithographing?
- 8 Have I asked how Multilith speedily reproduces typewritten copy, script, drawings, type matter and photographs?
- 9 Have I investigated how Multigraph methods of factory form writing save time and money, and lessen errors?
- 10 Have I welcomed the opportunity to discuss these important subjects with a Multigraph representative?

» Multigraph AND Multilith «

Stops "P.O."
(Pipe Odor)

PIPE SWEETENER 25¢

MADE BY THE MAKERS OF

Drinkless KAYWOODIE

PROVED THE BEST SMOKING PIPE IN THE WORLD

KAUFMANN BROS. & BONDY, INC., NEW YORK, N. Y.

MEMO to executives:

Try **Work-A-Day** desk calendars next year for well-placed sales promotion—a constant reminder throughout year at your customer's elbow.

Write today for full information!

KEITH CLARK, INC.
350 HUDSON STREET New York

CUT OUR OFFICE PENCIL COST \$820.00 THIS EASY WAY

"WE save over 41¢ cash, per employee each year since we equipped them with **AUTOPOINTS** instead of wooden pencils!" Hundreds of firms using them. Saves money—increases efficiency. Grip-Tip holds leads firmly. Write for details.

AUTOPOINT COMPANY, Dept. BW-10
1801 Foster Avenue, Chicago, Ill.

Autopoint
The Better Pencil

How to Make Letters Work

Lockley's PRINCIPLES OF EFFECTIVE LETTER WRITING

140 pages, 6x9, \$3.00

This book gives you:

- definite and specific suggestions on sales letters, collection letters, credit letters, adjustment letters, application letters.
- practical suggestions that have been proved profitable in prosperity and depression.
- nearly three hundred illustrative letters, from successful firms all over the country.
- analysis telling why each letter was successful and how to apply the conclusions to your own letters.

One of the few books on letter writing that gets down to cases, gives real facts rather than academic suppositions. See it on approval. Send this coupon.

McGraw-Hill Book Co., Inc.
330 W. 42d St., N. Y. C.

Send me Lockley—Principles of Effective Letter Writing for 10 days' examination subject to approval or return. In 10 days I will send \$2.00 plus few cents for postage and delivery, or return book postpaid. (We pay postage on orders accompanied by remittance.)

Name
Address
City and State
Position
Company FBW-10-5-35

Enter, Poly Gasoline

Two methods of recovering high-test fuel from waste cracking gases graduate into commercial operation.

CRACKING processes increased the volume of gasoline that could be taken from crude petroleum. Now perfected polymerization of byproduct gases advances the recovery of gasoline one step further, increases the potential motor fuel supply, promises greater profit for every gallon of raw black power brought to the earth's surface.

Polymerization starts where cracking leaves off. The residue after cracking is a gas that is burned under refinery boilers or sold at waste prices to chemical industries. Some 300,000 million cubic feet of this gas is produced annually. Now, with new polymerization processes from 3 to 7 gallons of gasoline can be recovered from each 1,000 cu.ft. of cracking still-gas. Even at the lower estimate this means that over 1 billion gal. of gasoline can be added to the national production. And there will still be enough wastage left to keep the refinery boilers going.

Anti-Knock in Demand

True, the billion gallons is only 6% of our national gasoline production. But that isn't the whole story. The anti-knock rating of "poly" gasoline is so extremely high that it can be used as a blend to boost low-octane gas to premium motor fuel levels. Ethyl Gasoline Corp. (owned 50-50 by Standard Oil of N. J. and General Motors) will have to take notice. Enthusiasts think the new development will seriously affect the demand for ethyl.

Again, some think that polymerization processes may be utilized to wring gasoline from billions of feet of natural gas thrown away annually in the Texas Panhandle for lack of either a local or pipe line market. Liquefied hydrocarbons, propane and butane, may be used for polymerization instead of the cracking gases.

Polymerization Incorporates

Two distinct methods of polymerization have been developed and proved by use in refineries. One uses intense heat and heavy pressure, the other employs a catalyst under relatively lower heat and pressure. Some years ago Pure Oil engineers brought into operation a "heat and pressure" type of polymerization in connection with its Gyro cracking operations. Signal that others had also perfected this type of process came with the recent organization of the Polymerization Process Corp.

This concern becomes the joint patent-holding agency of Phillips Petroleum Co., Texas Corp., Standard of Indiana, Standard of N. J. The oil companies are pooling their patents and

offering licenses, are prepared to submit estimates and plans for new plants. Two years of commercial operation tests are back of the process.

Briefly, the heat and pressure type converts the gas into liquid motor fuel with temperatures above 700 degrees Fahrenheit and with a squeeze of over 500 lb. per square inch. No catalyst is used. Developments in the catalyst process have been completed by the Universal Oil Products Co., Chicago. Shell is part owner of Universal, which is now offering its process under license to refiners.

Universal claims that equipment and operation costs are cheaper under its patents. The catalyst is solid phosphoric acid. It looks something like crushed rock. Passage of the gas through this mass precipitates the olefins—which are the things that make your motor go. The catalyst process was developed by Universal's Prof. V. N. Ipatieff.

Oil industry executives will soon add a new phrase, "poly gas," to their vocabularies. Lawyers will simultaneously entertain prospects of a long and lovely patent struggle—an inevitable outcome if the patents prove to be as valuable as their owners declare.

For National Brands

Clark, Piggly Wiggly executive, urges store operators to support advertising campaigns.

NATIONALLY advertised brands are considered powerful business boosters by R. G. Clark, executive vice-president of the Piggly Wiggly Corp. (BW—Nov 24 '34). At the recent national convention of Piggly Wiggly operators at San Diego, the parent concern recommended adoption of a 52-week advertising and merchandising schedule, in which national brands are each assigned a whole week of special promotions.

Among these brands are General Foods, Standard Brands, Heinz 57 Varieties, Swift, National Biscuit, Del Monte, Campbell Soup, Armour, and Libby. Sampling booths, mass displays, posters, window displays, circulars, and newspaper advertising will be used.

While chain stores, particularly those that continue to feature national brands, have sporadically used these methods to stimulate sales, independent operators, such as form the Piggly Wiggly chain, have rarely cooperated in a similar campaign.

Wide Reading

WHAT'S NEW IN RADIO FOR 1936? *Electrician*, September. Metal tubes, variable bandwidth for higher fidelity, bass compensation, volume expansion, automatic tuning—new gadgets for engineers to build, listeners to buy.

WHERE DOES HITLER GET THE MONEY? *New Republic*, Sept. 25. Germany is rearming rapidly. Many estimate present armament expenditures at \$100 millions a month. Berlin is paying the bill by using real money, and issuing government bonds in return. Interesting light on a pertinent topic.

HOLLAND'S ACHIEVEMENT IN HOUSING. *Federal Home Loan Bank Review*, September. Record of a national housing scheme which got its start in 1901. Private builders put up most of the houses, some with government financial aid. The government and building societies started the drive after the war, and individuals have carried it on.

REPORTS—SURVEYS

WAR TOMORROW: WILL WE KEEP OUT? *Foreign Policy Association*, New York, 38 pp., 35c. What caused the war; what it cost; what the results meant economically to each great participant. Told in primer style, illustrated with pictographs. For those who want facts "ahead of time" in formulating their stand in the present crisis.

A HOUSING PROGRAM FOR THE UNITED STATES. *Public Administration Service*, Chicago, 42 pp., 50c. Complete list of recommendations made to the National Association of Housing Officials by experts after a careful survey of conditions in the United States. How projects can be financed; duties of agents; how city building should be planned and carried out.

BOOKS

COLOR: A COMPLETE STUDY. *International Printing Ink Corp.*, New York, \$10. Color is a subject about which few people have exact knowledge, on which most people have decided opinions. Many an advertising manager has found this out in submitting color copy to the big boss. *International Printing Ink Corp.* hopes to take color out of arguments by reducing it to scientific certainties. The company's research department has issued 3 monographs on (1) Color Chemistry, (2) Color as Light, (3) Color in Use. They aid in the effective use of color which is becoming of greater importance to every industrial product. The books expound the laws of color, disclose new discoveries, explain scientific color terms and the accurate measurement of color by light waves. A new aid to color analysis is the spectrophotometer invented by Dr. Arthur C. Hardy of the Massachusetts Institute of Technology and manufactured by the General Electric Co. The 3 studies carry illustrations in full color of all points made.

THE DAIRY INDUSTRY AND THE AAA. *John D. Black*. *Brookings Institution*, 520 pp., \$3. Another of the Brookings' exhaustive studies of AAA phases. This one deals with attempted AAA control of dairy products through marketing agreements, etc. The suggestion is made that Utopia has not been reached in milk.

It is a proved fact that Edison MAZDA lamps stay brighter longer

ELECTRIC EYE SAYS "BARGAIN" BULB COSTLY

Poor lamps waste current; Grow dimmer in use

Good lamps save money for user

A poor lamp would be no bargain even if it came wrapped in a dollar bill! That is the conclusion of engineers from tests made with the "electric eye."

The initial cost of a lamp bulb was shown to be unimportant compared with its efficiency—that is, the amount of light produced for a given amount of current consumed. Edison MAZDA Lamps were shown to burn brightly over a long period of use. Interior lamps gave less light at the start and grew steadily dimmer—thus using current very uneconomically.

People who realize that the cost of light is the cost of the bulb plus the cost of current, are turning more than ever to MAZDA lamps made by General Electric.

General Electric has reduced MAZDA lamp prices 17 times since 1921. For example, the 300-watt size now costs only 90¢ as compared with \$3.15 less than 15 years ago.

GENERAL ELECTRIC COMPANY, NELA PARK, CLEVELAND, OHIO

NEW IDEAS MATERIALS METHODS

—the results of research will influence your future and that of your business.

The latest in equipment, machines, materials and supplies will be exhibited for your examination.

Plan now to attend with your associates and thus keep your plant abreast of the times.

Come to see . . . to compare . . . to consider . . . and to invest.

Remember
the place
and date.



Grand Central
Palace, New York,
Dec. 2-7.
Management,
International
Exposition Co.

15th EXPOSITION
CHEMICAL
INDUSTRIES

1700
SUCCESSFUL FIRMS
Have Used This Plan to
Build Sales
and Profits—

Prospects are seldom "out" or "in conference" to salesmen who have built good will with the Gits-Nife. There are dozens of tested plans for using this handsome gift to increase sales or to win back "strayed" customers. Prospects and customers alike are delighted with it. It's attractive, handy, useful, strong—your firm name or company slogan imprinted to remind prospects every day of your product or service. A year of "missionary work" is often accomplished in a day with the Gits-Nife.

Ask These 1700 Users
Learn how others are using
the Gits-Nife to open new ac-
counts, to speed collections,
to hold customers, to build
profits.

THE GITS CORP.
1848 So. Kilbourne Ave.
CHICAGO, ILL.
Dept. C

FREE OFFER!
To executives
we will send a
Gits-Nife abso-
lutely free to demonstrate
its worth as a sales tool.
THE MODERN POCKET KNIFE.



Peace Push

Squibb sponsors broadcasts for World Peaceways while other organizations join the anti-war campaign.

MANUFACTURERS of healing medicines share in war profits by trying to save victims of arms manufacturers. Yet one of the biggest drug companies now joins the drive for peace. E. R. Squibb & Sons is sponsoring a weekly broadcast for World Peaceways. Squibb isn't dictating policy, will allow free rein on the air to such notables as Senator William E. Borah, Senator Gerald P. Nye, Alfred E. Smith, William Green.

The campaign is part of Squibb's institutional and educational policy, but there is a definite retail hookup. Some 35,000 druggists will distribute peace pledges to consumers who will be urged to go to the stores for them. The pledges will later be shipped to Washington.

As the war clouds darken over Europe, a whole flock of American peace organizations is busily mobilizing the anti. There are in New York City some 300 separate societies and associations consecrated to campaigns against war. They range all the way from small groups of dear old ladies shepherded by retired preachers to high-powered organizations like World Peaceways.

The idea on which World Peaceways operates is that the will for peace can be merchandised by methods which sell less abstract commodities. During the last 3 years it has gone to the public with striking advertisements. Those used in magazines are 1/2 page and full-color. Topnotch artists and copywriters prepare them. This work is donated by a nationally known advertising agency and mass-circulation magazines have donated the space on which the advertisements appear.

Instead of wooing a few angels with fat money bags, World Peaceways seeks support from the general public. Each advertisement invites inquiries on its plan for peace. Memberships obtained in this way range usually from 10¢ to \$1. Converts are urged to watch legislation for possible war moves, to write and preach the anti-war gospel. Affiliated with Peaceways are organizations in Canada, France, England, Belgium, Holland, Sweden, Norway, Denmark, Switzerland. World Peaceways is a non-profit group. Prominent names adorn its list of officers and committees.

An elder in the attack on war is the

WORLD PEACEWAYS

Pledge of Support

to

HIS EXCELLENCY THE PRESIDENT

and to the

CONGRESS OF THE UNITED STATES

AS A CITIZEN of the United States, I pledge to you, the Chief Executive of this nation, and to its chief Legislative body, my wholehearted support for all that you may do to put an end to the destruction of human life by the merciless machinery of war, and to lead the nations of the world toward the light of mutual tolerance and understanding.

Name _____

Address _____

Date _____

A PENNY A PACKAGE FOR PEACE—That's what E. R. Squibb & Sons is contributing to the cause of a warless world. Part goes to finance the World Peaceways program, broadcast every Thursday over CBS, part to enroll peace advocates at 35,000 drug stores where pledges are available for all comers.

World Peace Foundation, started in 1910 by an endowment from Edwin Ginn, American publisher of educational books. It distributes in this country publications of the League of Nations, International Labor Office, World Court, and others. It seeks to advance pacific opinion by a barrage of simply presented facts, bearing especially on the economic and industrial horrors of war.

Peace Bonds

A novelty in peace promotion was recently announced by the National Council for Prevention of War (Washington). It has started a sales drive for \$1 millions in "peace bonds." Denominations range from \$1 to \$100. The bonds don't bear interest, aren't redeemable in cash, but the council pledges use of the money to develop the peace movement. Public-spirited organizations are expected to do most of the selling.

The recruiting sergeants of peace report a heartening increase in volunteers. Mussolini's announcement that he was going to uplift the Ethiopians even if he has to use high explosives has been a great help.

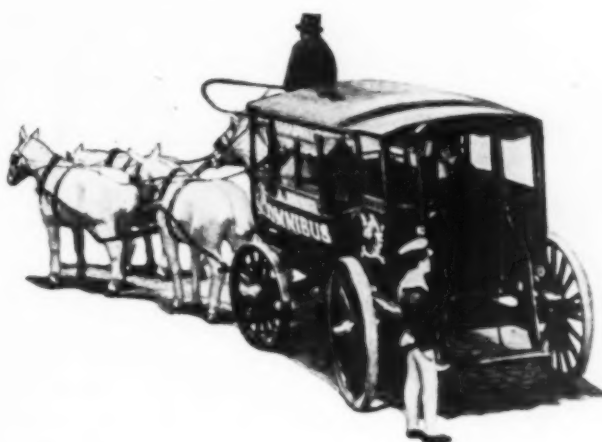
Park-O-Meters

Oklahoma City's slot-machine parking plan leads other cities to experiment. Retailers like it, but their clerks don't.

CHALK up another scoop for Carl Magee, the man who uncovered the Fall-Doheny angle of the Teapot Dome case for Scripps-Howard papers. He now comes forth with another startling discovery, the Park-O-Meter, a space dispenser designed to relieve one phase of the motor traffic problem, at the same time returning a cash dividend to the municipality. Its simple plan of operation upsets the time-honored freedom of the streets by converting them into nickel parking lots. The meters collect fees in advance, compute and record time and, if necessary, call a cop. They cannot argue nor show favoritism.

For parallel parking, the usual Park-O-Meter installation is one to every 20-ft. marked-off stall. The meters are mounted on shoulder high posts along the curb. A motorist drives in a space, deposits a nickel which automatically raises a green semaphore and starts a clock which plainly indicates the unexpired time. Depending on the traffic zone, clocks are marked and set for varying time limits: 15 minutes to 2 hours. The ease of checking up parking violations allows one motorcycle officer to cover at least 4 times the usual area.

To a skeptical audience, metered parking made its world premier in Oklahoma City in July (BW—Jul20'35).



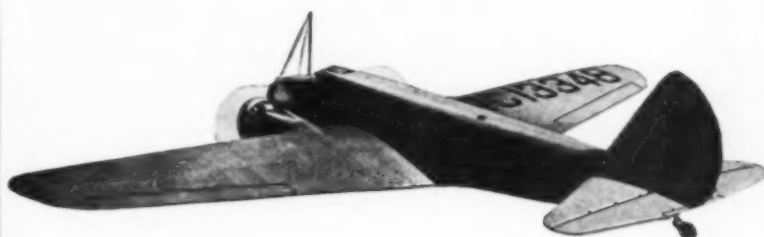
Post-haste

From the day of the "Broadway Omnibus" in 1799 to the day of the transcontinental plane the Bank of the Manhattan Company has kept in close touch with business and industrial conditions throughout the country and the world.

BANK of the MANHATTAN COMPANY

New York

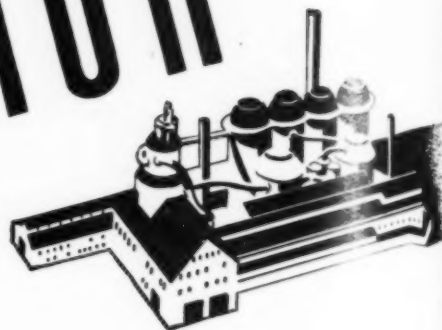
Chartered 1799



Coach above—Curtiss Museum of the City of New York.

LASTING

protection



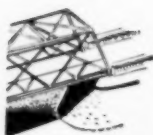
FOR CAPITAL INVESTMENT

Little flakes of metal, hardly larger than a pin point, provide industry the most durable protection for its capital investment in plants and structures.

What is more, these flakes provide the means of attaining longer lasting reflectivity on the walls and ceilings of factory interiors.



Let us go back to the beginning—to fundamentals. Nature made Aluminum highly resistant to corrosion. We make large pieces of Aluminum into tiny flakes, and polish them in the process. Each little flake is a solid piece of metal that is highly resistant to corrosion, and is a reflector as well.



Disperse these through a properly compounded vehicle. Brush or spray them over the surface to be protected. As you do it, the tiny flakes leaf together to form a veritable coat of metal

protection. That is Aluminum Paint.

It "covers" dark surfaces as no other paint. It repels the destructive action of sunlight. It resists penetration of moisture and the corrosive attacks of fume-laden atmospheres. Its protection lasts and lasts. The high reflectivity of Aluminum Paint is likewise long-lived.



Capital investment gets durable protection; production gets the benefit of better lighting when industry makes use of these fundamentals of Aluminum.

We do not make paint. We do make the shining flakes which leading paint manufacturers combine with their own good vehicles. They make the extra protection of Aluminum Paint available at no extra cost. ALUMINUM COMPANY OF AMERICA, 1804 Gulf Building, Pittsburgh, Pa.



forward via fundamentals

Those who predicted ruination for downtown merchants now note: Motor-shopping shoppers liked the idea; retailers are finding that customers do not get "lost" in other establishments while walking from a remote parking space; persistent projectors are mostly clerks whose personal cars formerly preempted 60% (by actual check) of the choicest parking places and whose hourly practice of trading-places-in-unison (on their employer's time) was executed with the precision of the Notre Dame shift.

Test of Results

For test purpose, Park-O-Meters were installed in one block on one side of the street, the next block on the other side and so on. Metered spaces to date have cleared nearly 150% more cars than the free spaces directly opposite them, and subject to same time limits. At the request of merchants, meters are now being installed on both sides.

The self-financing plan of purchasing Park-O-Meters together with the prospects of picking up money from the meters have strong appeals to city fathers. Meters are installed for \$58, the pay coming from the first collection. They should take in \$100-plus per year in luxury taxes.

Police departments in Tulsa and Dallas have been watching the Oklahoma City experiment closely; both have recently ordered meters. Dallas starts with 1000, expects to buy another thousand if they prove satisfactory. A dozen city councils now have the matter of meters up for consideration.

Mickey's Catalogue

100 pages required to show all the toys and other items that have a Mickey Mouse license.

When Walt Disney's pen first created Mickey Mouse, it was just a matter of producing a movie for big and little kids. Its popularity, particularly with the little kids, gave some manufacturers the idea of providing Mickey Mouse merchandise—dolls, toys, and gadgets either made to resemble the pen-and-ink original or carrying its image. That was not a few years ago.

The other day Kay Kamen, Inc., exclusive representatives of Walt Disney Enterprises, issued a special catalogue, 100 pages, letter size, printed in 2 colors, and showing nothing but Mickey Mouse merchandise.

Included are slippers, cooking-sets, savings bank, musical instruments, pajamas, overalls, wallpaper, lamps, sweaters, movie projectors, electric trains, jams, and a multitude of other things for children.

The licensing of manufacturers to make Mickey Mouse goods has become a big business.

New Products

New things, new ideas, new designs, new packages, new manufacturing and marketing methods.

KINDELSTYX are offered by the Kindelstyx Corp. for quick and certain starting of fires in fireplaces, stoves, furnaces, or for campers. They are advertised as odorless, non-explosive, non-poisonous, moisture-proof, come in packages of 12, sell at a nominal price.

GREENFIELD TAP & DIE CORP. announces a new pipe wrench for hexagonal fittings that engages 4 of the 6 surfaces at once with No-Mar jaws specially designed to prevent both slippage and injury to chromium, nickel, or other highly-finished surfaces.

QUICFLEX paper fasteners are made of covered elastic ribbon and have a flat hook at each end. They are designed for quick binding of punched paper, price sheets, manuscripts, etc., adjust themselves to suit requirements, permit ready reference and rapid removal or adding of sheets.

ROTO-BROACH, newly announced by Bullard Co., rotates the work at cutting speeds against cutting tools that are arranged to approach the work surface at an angle with respect to the axis of the work. It permits the use of multiple roughing and finishing cutters and does the whole job in a single pass of one tool block.

THIOKOL CORP. advertises that its C-103 line of synthetic rubber coating materials may be brushed, dipped, sprayed, or spread, is made with a quick drying, non-inflammable solvent, does not deteriorate with age, is particularly resistant to solutions of acids and alkaline, and to oxidizing agents.

THE new sink-strainer liners offered by Harvey Paper Products Co. are made of water- and grease-resisting paper, may be used without metal holders, simplify the handling and disposal of kitchen refuse and reduce cleanup operations. They come in cartons of 40 and sell at a popular price.

HEVI-DUTY ELECTRIC Co. has acquired from A. O. Smith Corp. rights and patents to Smith Alloy No. 10 and now offers it as a new chromium-iron-aluminum resistor alloy for electric furnaces and other industrial uses for operations to 2,400 deg. F.

POST-A-LETT, made by the Exact Weight Scale Co., is a small scale of fountain pen size which weighs letters and other mail matter up to half a pound.

No wonder Durez

has stolen the

spotlight in

dozens
of
plants



Just to read the list of the qualities of Durez, is to recognize why its versatility... as a basic material... provides the golden cash answer to hundreds of processing jobs.

Durez is strong, light and wear resistant. A boon to manufacturers of housings for light machinery... business machines, portable drills, grinders, fountain mixers, skin vibrators and the like!

Inert to chemical reaction and proof against corrosion, Durez naturally plays an important role in the drug, cosmetic and liquor industries... jars and boxes for packaging creams and powders... closures for sealing lotions, pharmaceuticals and beverages.

Unlimited in design possibilities and easy to fabricate, Durez comes out of the mold in many colorful, satin-sleek finishes. It simplifies and speeds production of doorknobs, cameras, radio cabinets, display racks, telephones, automotive ignition parts, jars, boxes, and scores of other products which enter into our everyday lives.

Indeed, the wide range of Durez uses allows industries of all kinds to simplify production processes. All you need is an open mind in considering the merits of Durez as applied to your products. We'll bring the facts if you'll tell us what you make and when we may call. Please write General Plastics, Inc., 285 Walck Road, North Tonawanda, N. Y.

* Gear shift lever? No! Float ball used in toilets. Made of Durez because it's corrosion-resistant, strong and light.

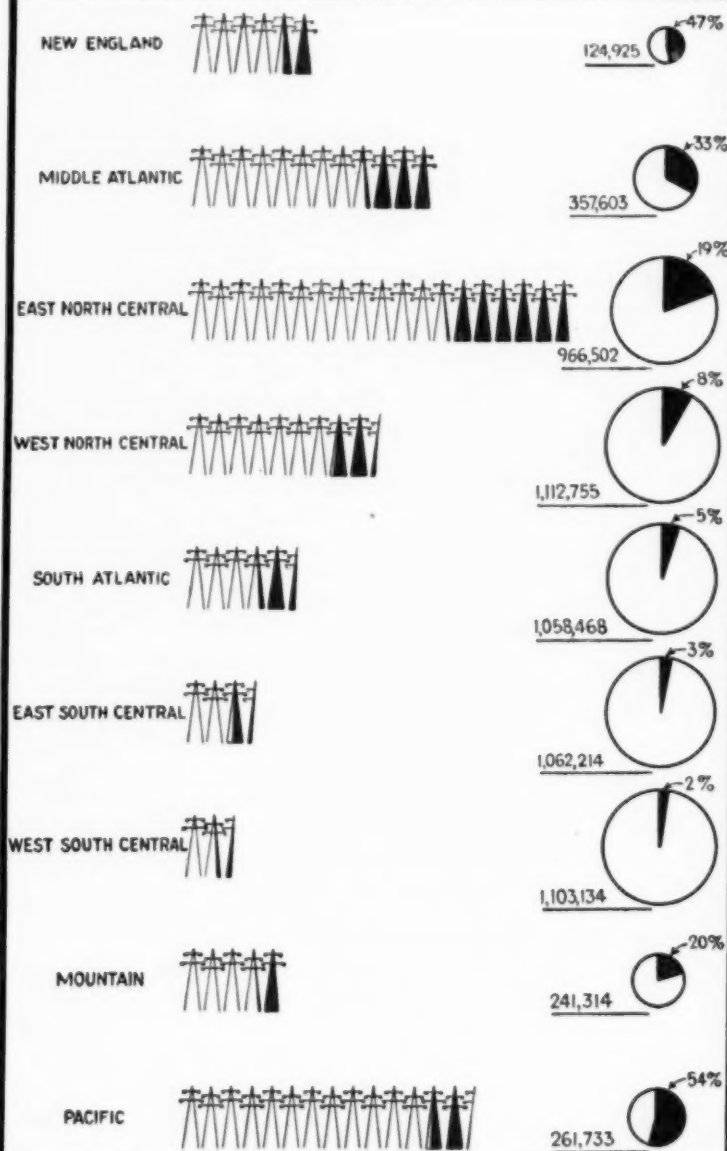
DUREZ

THE MODERN MOLDING COMPOUND

MORE FARMS FOR PUBLIC POWER LINES

But depression gains still leave the field barely scratched

June, 1935 compared with Dec. 1929



Each symbol = 10,000 farms



= 10,000 Farms on public lines Dec. 1929



= 10,000 Farms added by June, 1935



○ Total farms, Census 1930



● Per cent of farms on public power lines June, 1935

Business Week

ANOTHER DEPRESSION-PROOF INDUSTRY—There are 32% more farms hooked up to public utility power lines now than in 1929. They represent roughly 77% of all wired farms; the rest being supplied by individual lighting plants. Biggest gains occurred in non-irrigation states, suggesting that lure of electrical appliances rather than farming necessities motivated electrification. But, despite gains, only 12% of U. S. farms are served by utility companies.

Utility Battle

While power companies comply with some phases of control, they are digging in for long fight.

THE public utilities are squaring away for a long fight on the Utility Act of 1935, a fight which leaders in the industry predict may take a year or two of litigation before the constitutional status of the government's invasion of utility regulation is settled.

But both parties stacked arms last week and met in "cautious cordiality" to cooperate in drafting forms and arranging procedure for preliminary registration, first step in the new regulations. Both parties made it clear that they got together under armed neutrality, that both stood by their rights in court tests already under way on the law.

Revamping Corporate Structures

Here and there individual companies are moving to comply with certain phases of the law, while others are under fire. Standard Gas & Electric, one of the major holding companies, last week sold to underlying subsidiaries, without profit, the stock of Bylesby Engineering & Management Corp., all of which it has formerly held. The law requires some such arrangement for service companies which hereafter must operate on a pro-rata cost basis. Associated Gas & Electric has been working on both ends to bring its far flung system into line with the law, dissolving intermediate holding companies on the one hand, and on the other picking up new properties that may serve as links to connect up its controlled systems and provide geographical continuity as the act requires.

Partially attributed to the law—particularly to the unfavorable publicity on holding company prospects while the law was being debated in Congress—was the move of Standard Gas & Electric in going into court under Section 77-B of the Bankruptcy Act. Although thoroughly solvent and even a good earner, Standard Gas found it impossible to complete an extension plan for \$24 millions of securities maturing Oct. 1.

Baltimore Case Unsatisfactory

Meanwhile, it is a question whether anyone is pleased with the way things got started in the American States Public Service Co. case in the Federal District Court of Baltimore, which is the initial skirmish in the warfare.

The government had Judge Burns of SEC, and 2 of the bill's authors, PWA lawyer Ben Cohen and RFC lawyer Tom Corcoran, at the trial, but merely as "friends of the court." It declined to become a party. But in the line of "suggestions" to the court, the government attorneys insisted upon public

The Front appeals to the Eye . . .

But it's the FLOOR that brings in the money!



THE ROBERTSON Steel Floor System, developed after years of study at famous Mellon Institute of Industrial Research, is in reality, a super-strong steel floor which contains, in itself, a complete system of protected wire raceways. These permit of such complete electrification of the floor that electrical outlets can be placed every six inches over the floor area if desired, without the costly tearing up of floors which the installation of outlets in underfloor duct systems entails.

ONLY too frequently, a building's "front" is emphasized at the expense of its floors. Yet the floors are the prime reason for the building's existence. They alone produce its revenue . . . determine the extent and convenience of the electrical facilities offered to tenants. And they largely control the length of the building's profitable life. Obviously, floors deserve the most careful consideration in the interests of the man who puts up the money for a building, and of the tenants who will occupy it. Such consideration inevitably leads to the newest and most modern floor construction: the Robertson Steel Floor System. Electrically, the Robertson Floor is so completely flexible that it can meet all electrical requirements that

the present or the future may demand of it. And this flexibility is such that it is readily available for use without the trouble and expense usually involved in utilizing the partial flexibility of other types of floor construction. Yet this perfect electrical provision is obtained at a cost little, if any, higher than that of the ordinary bare floor alone. Expensive under-floor ducts are entirely eliminated.

The Robertson Floor is stronger, lighter, more compact. It increases fire safety . . . lowers accident hazards. And it speeds up large building erection by 20% to 30%!

If you are interested in any building project, you will find our brochure "New Life for Buildings" extremely instructive and valuable. Send for your free copy. H. H. Robertson Co., Grant Building, Pittsburgh, Pa.

ROBERTSON
STEEL FLOOR SYSTEM

introduction of John W. Davis, Edison Electric Institute counsel, to his client Fred Lautenbach, a holder of the company's debenture upon whose intervening petition Davis got into the squabble.

This was playing to the galleries to put over their suggestions of "collusion," a "framed" case and charges that the government was being "railroaded."

The court declined to throw out the case on this account or on the more serious grounds cited that the advisory opinion sought was inadequate on a constitutional question. It granted a month for filing of briefs.

Misuse of Congress' power over the mails for regulatory purposes will be Davis' major point of attack in this case. At one point he defended the

constitutionality of 2 other New Deal laws, the Security Act of 1933 and the Security and Exchange Act of 1934, which were declared by government counsel to rest on the same principle.

It was indicated in Washington that the Administration is looking for a case more to its liking and on the utility side a score of other cases are said to be under investigation.

Meanwhile, utility interests were victors this week in the New York City municipal power plant issue when a lower court judge barred a November referendum on the proposal to construct a "yardstick" plant. A state law was found to prohibit a self-supporting project and the city's debt limit prevents this use of general credit.

As now organized FTC takes about a month to approve an agreement which does not depart unduly from the accepted pattern. How long it will take Mr. Berry to hold hearings, consult with his advisors and obtain Presidential approval for his conclusions remains to be seen. It seems safe to predict, however, that if business wants to make a showing before Apr. 1, when the power delegated to the President, and by him to Mr. Berry and the FTC, expire, there is no time to be lost.

Clears Up a Puzzle

The new setup clarifies a situation that has been puzzling industry since the death of the codes. FTC has received several requests for the inclusion of labor provisions in trade practice agreements but has lacked clear authority to act upon them. Now NRA has given that power and any section of industry that sincerely wishes to eliminate the wage chiseler and price cutter is provided with a method.

It should be distinctly understood that the inclusion of labor sections in the trade practice agreements is still purely optional with business. The President's action was simply a delegation of his power under the congressional resolution extending NRA; it has no effect upon the existing authority of FTC to approve codes without such provisions.

The score or so of codes now pending before FTC need not be affected unless the industries concerned wish to extend them; the commission has no power to force the addition of labor sections.

George L. Berry, the coordinator, has the confidence of both capital and labor. Not only is he head of a labor union (Printing Pressmen) but he is also an employing printer and bank director. He has served as a member of NRA Labor Advisory Board, on the National Labor Board, as divisional administrator of NRA and member of the Public Works Advisory Board.

NRA = 7-A

Berry's job will be to provide machinery for hooking labor codes on to trade practice agreements when and if industry wants them.

BETWEEN now and next April, when the ponderous skeleton of NRA is scheduled to give up the ghost, self-government in industry has its big chance to show that it can carry on where the codes left off.

Having admitted the possibility that the heavy hand of the Administration may not be the only instrument capable of eliminating the chiseler—that maybe business can take care of him itself, after all—the President last week conferred upon George L. Berry, one of NRA's division administrators, the imposing title of "Coordinator for Industrial Cooperation" and told him to see what could be done.

Mr. Berry will initiate no codes. He will, however, extend the seductive bait

of limited exemption from anti-trust statutes to those progressive industries which accept fair trade practice agreements, a seasoned device developed by the Federal Trade Commission, and include in such agreements recognition of collective bargaining (our old friend 7-a) and provisions setting up minimum wages and maximum hours.

In submitting its codes industry will find a dual jurisdiction. FTC retains its power to pass upon all normal business peccadillos heretofore within its province. Labor provisions, however, will be referred to Mr. Berry, who will be advised by what is left of NRA, now under his supervision. If and when a code gets dual approval, it will still be subject to Presidential review.



UTILITIES MEET THE BOSS—James M. Landis (seated third from left), new head of the SEC, holds his first conference with utility leaders whose fate he literally holds in his hand.

at least pending a court decision on the holding company decision. The utilities approved a tentative draft of the preliminary registration form, promised judicious cooperation



CODE LABOR CZAR—To his functions as a labor union official, an employing printer, a bank director, and the biggest farmer in the Southeast, Major George L. Berry this week took on responsibilities attached to the title of Coordinator for Industrial Cooperation. Industries that want codes to cut out chiseling take the labor provisions to him and fair practice provisions to FTC.

Electrical Charges

FTC drive on electrical manufacturers raises question of relation between product and price.

THE Federal Trade Commission electrified the entire electrical industry when on Oct. 2 it issued a complaint against the National Electrical Manufacturers Association and 16 prominent wire and cable manufacturers, charging unlawful combination, conspiracy and agreement to restrain competition.

FTC alleges that respondents held frequent meetings, exchanged price information, agreed to quote, sell, and deliver their goods at identical prices and sales conditions, and that, under the leadership of the Okonite Co., Habirshaw Cable & Wire Corp. and General Electric Co., they concertedly adopted and maintained fixed and uniform selling prices on cable.

It also alleges that the cable manufacturers "habitually and systematically" discriminated in prices after making due allowances for the cost of transportation among their various customers, that they adopted identical discounts for jobbers (wholesalers) and required jobbers to resell at list prices so as to avoid competition between jobbers and between jobbers and manufacturers.

Those who have followed the activities of FTC say that this is one of the most sweeping complaints ever issued against an association and its members. They point out also that much of the wording in the complaint has an ominous twist to it which may indicate that the commission has its teeth on others of the 140-odd product groups that, together with the accused cable manufacturers, make up the N.E.M.A.

Products Under Control

To many members of the industry the FTC complaint is a bolt from the blue, to others it is "something that had to be expected." Unlike other industries whose products find a similarly wide range of uses, the electrical industry has not had the freedom to cover a wide range of quality with its products. Instead, practically all of them have had to be manufactured to meet certain minimum standards of quality imposed by the Underwriters Laboratories in the interest of public safety.

Having to recognize such an arbitrarily imposed "floor" below which the quality of products is not allowed to sink, and with many manufacturers actively competing for business in the various product groups, the general quality of most products has become standardized at or near the Underwriters' "minimum." Then, with most of the manufacturers using identical machines and processes in making the goods, costs and selling prices have also found a more or less standardized level.

The electrical industry was among the first to submit a code under NRA, and this code, the third to be approved, provided for operation of the "open price" system which includes many of the practices now made the subject of the FTC complaint. When NRA was scrapped, the industry had built up an outstanding record of code compliance.

Shifting Sales Methods

However, there are oldtimers in the industry who insist that neither the history of pre-NRA practices, nor the code, nor the high degree of voluntary or imposed standardization could explain all the charges made by the FTC, if proved. They contend that both the production and distribution branches of the industry have undergone radical changes. In some product groups, consolidations, bankruptcies, etc., have reduced the number of manufacturers materially. The independent wholesalers no longer dominate distribution; instead, much of the large volume sale and mass distribution is centered in the nationally operating chains of manufacturer-controlled wholesale houses. They argue that all these influences have combined to create a situation where the mere continuance of practices followed without government molestation when centralization was less advanced, might today call for clarification.



We presume you know that 80% of the men in this country have no collateral on which to make bank loans. These are the men who work for you in your plants.

You may say that's our system. You may say they should live on their incomes. We agree. But somewhere along the line a certain percentage of these men find it necessary to borrow in order to meet emergencies—overdue bills, sickness, gaps in income.

Need Cash Quickly

By and large, they do a superhuman job with their incomes. Uncomplaining, they figure to the penny every week to keep food coming in, homes warm and children fed, clothed and educated. They are thankful to you for their jobs and the money you pay them.

But when unexpected illness comes, when a dozen things happen which they simply cannot provide for, it's cash they need, quickly.

How Household Helps

Household helps them, first with a loan which they can repay in monthly payments requiring not more than 10% of their income. Then they are helped with practical, sensible plans for better management of their incomes. How to stretch dollars. How to live within income. How to buy more economically. We've found them to be worthy of such help. And we know the average American family, properly aided, will do everything in its power to keep out of debt.

To interested executives—who recognize the extent of this great social problem—we offer free copies of our Money Management Plan and Better Buymanship literature. You will find them interesting and enlightening.

HOUSEHOLD FINANCE CORPORATION

AND SUBSIDIARIES

919 North Michigan Ave., Chicago, Ill.

HOUSEHOLD FINANCE CORPORATION B.W. 10-5
919 North Michigan Avenue, Chicago, Ill.

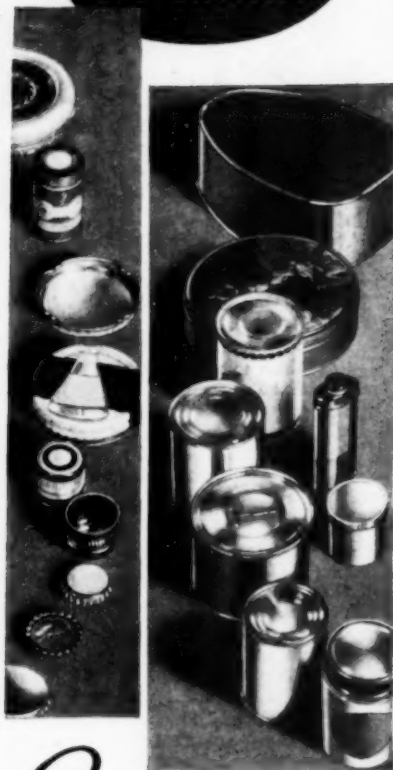
Please mail me, absolutely FREE—the new-type budget calculator, "MONEY MANAGEMENT FOR HOUSEHOLDS" and sample copy of your "BETTER BUYMANSHIP" booklets.

Name.....

Street.....

City..... State.....

LARGE
AND SMALL...
SIMPLE
AND DIFFICULT...



Cans and closures OF J & L TIN PLATE

To the many and varied demands of the packaging industry, J & L Coke Tin Plate has responded with problem-solving performance. Jones & Laughlin's latest development in this field is Jalcold, a cold-rolled product with greater uniformity of gauge and unusual capacity for severe drawing operations which commend it for especially exacting requirements. J & L Coke Tin Plate is made in a full range of grades and sizes. We will welcome the opportunity of discussing this quality product in the light of your needs.



**JONES & LAUGHLIN
STEEL CORPORATION**

AMERICAN IRON AND STEEL WORKS
PITTSBURGH, PENNSYLVANIA.



NEW LUXURIES FOR WORKERS—Consideration for laborers' needs in the large industrial centers has long been a critical problem in the Soviet and one partially solved by providing improved dwellings such as this apartment building in Moscow. This week, with the abandonment of the bread cards and the offering of new commodities at low prices in the open shops Russian officials make new gestures toward the workers. A second decree will similarly make available to rural peasants hitherto unknown luxuries.

Russia Ends Rationing

Kremlin officials curry public support by scrapping food cards, extending retail shops in rural areas, fixing prices at new low levels.

MOSCOW (Cable) — For the first 15 years after the Soviets came to power in Russia, their greatest problem was to feed the country. The rural districts managed fairly well until they became enraged over the forced payment of grain and cattle for taxes. Too angry to look far into the future, they burned their wheat and killed their herds. The grain situation could be remedied in a short time; the cattle shortage has extended over most of the period since 1929.

To protect the industrial workers—essential in the Soviet Union's vast scheme to industrialize the country in a short time—Soviet officials built up their own cooperative food shops in the cities and saw to it that every available bit of food that could be collected from the country was fairly distributed to them. And to continue this policing of the distribution system, they instituted the ration plan. Each worker received a card entitling him to a certain minimum of various staples, and prices on these items were kept within the reach of all. Beyond these fixed limits, certain items were available in "open" shops to all who could pay the prices that they charged. These fluctuated radically with the supply.

Within the last few years the number

of "open" shops has increased rapidly, and the variety of goods which they sell now ranges from lipstick to furniture, from bread to spinach. They have been pretty well confined to the large cities and new industrial centers, however, and the villages scattered over the countryside have been able to offer few articles to the hard-worked peasants except those absolutely necessary.

All this is about to change in Russia as a result of 2 decrees just issued.

More Department Stores

The first new law demands that 5,000 new village cooperative department stores be established between now and the end of 1936. This means that the existing number of outlets will be more than doubled, and that peasants from the Ukraine to Kamchatka are going to be able to buy shoes and sweets and mittens and jackknives just as readily as their city cousins. It means that the peasants are going to be more willing to see their wheat, butter, and poultry go to market, for the rubles they receive will once more buy the things they want most.

It means also that the Soviet Union believes it is producing enough of the necessities and the novelties to satisfy the country as a whole, not just the favored workers who have been rush-

ing the industrial plant which is relied on to make Russia a great power again.

The second decree is even more sweeping. It puts an end to the food rationing system started in 1929 when dissatisfaction and outright sabotage in the rural districts created such a food shortage in the cities that it became necessary to ration everything. Beginning Oct. 1, Russia has dropped the last of the food cards. All shops become open shops. Prices are fixed, and on most of the staples they are reduced from the level at which they have been selling in the open shops. Like the rest of the world, Russia is once more going to buy with money. Retail business is again on an open-competition basis, though there is still no room for private profits.

Causes of Improvement

Three things are directly responsible for this return to a more normal system of distribution in the Soviet Union. The first is a series of successful harvests which have provided the country as a whole with plenty of the staple items. The second is the marked increase in the production of industrial goods at home, making it possible for the government to provide most of the simple needs, and many little luxuries, which the population demands. Finally, there is the marked improvement in the transport system this year. Russia has suddenly discovered that the internal economic crisis, as well as any threats from abroad, can be met only if the badly rundown transport system is modernized.

This year, for the first time, officials have concentrated all energies on the railroads. In four months, carloadings have been boosted from 54,000 a day to 80,000. Passenger trains have even been reduced in number to free locomotives for hauling freight, and to clear the tracks for rush shipments of food for the cities, or of essential raw materials for the factories. New rail lines are being built. Locomotives and freight cars are being turned out as rapidly as present shops make it possible.

What They Want to Buy

Citizens, crowded around the vast loudspeakers in the streets, in the mining camps, and on the vast collective farms this week, grinned broadly when they heard the decrees. In the cities, they were probably thinking of the sweets they can now buy in the open shops. In the country, they counted rubles to see if their savings would cover both a phonograph and a fountain pen.

In the Kremlin, tired officials looked up from news flashes just received from Geneva, Rome, Memel, and Vladivostok; agreed that they had moved wisely to win new support from their people for any situation which may arise from the critical situation in Europe or the Far East.



Does it deserve to be called The Mount Vernon Dinner?

AUDACIOUS, perhaps that the Tavern Car on The George Washington presents to you "The Mount Vernon Dinner." But try it before you pass judgement.

Should the Founder, himself dine on this famous train that bears his name, he would be served meats as skillfully cooked as those from his own famous kitchen, vegetables and fruits as plump, as ripe and garden-fresh as any that came to his own table,

hot breads as flaky and flavorful as those that delighted Lafayette, sauces, gravies, salads and cheeses that would draw a sigh of satisfaction from any epicure of any age.

When you have puffed a contented cigar, and turned over the check on its silver tray, you'll say: "At last! I knew some railroad would do this some day . . . a grand dinner, perfectly served, for what it really ought to cost."

The ticket agent of any railroad can route you on

THE GEORGE WASHINGTON THE SPORTSMAN • THE F. F. V.

The finest fleet of genuinely air-conditioned trains in the world



George Washington's Railroad
CHESAPEAKE and OHIO
Lines

Original predecessor Company Founded

by George Washington in 1785

1785 • ONE HUNDRED AND FIFTIETH ANNIVERSARY • 1935

Yes - the metal-working field is buying!

And aggressive manufacturers are going after business with . . .

AMERICAN MACHINIST ADVERTISING

For example, the Sept. 11th American Machinist—the Machine Tool Show Issue—contained more advertising than any magazine since January, 1931—307 pages

AND RIGHTLY SO! Note the Machine Tool Show—it was a tremendous success. 53,331 visitors registered to see \$3 millions worth of exhibits.

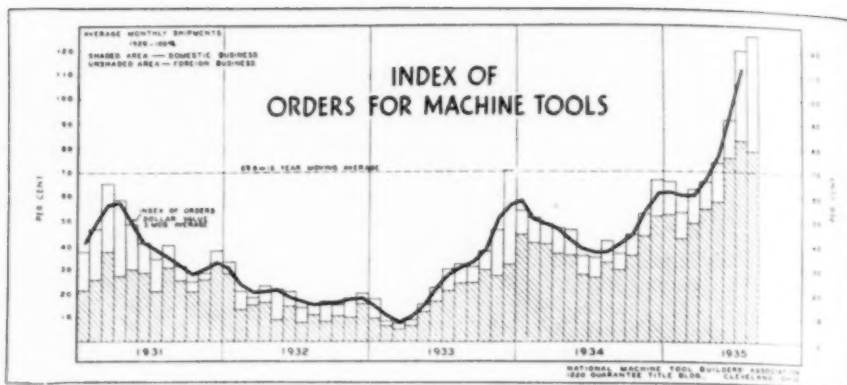
And note the machine-tool-orders curve. The metal-working field is buying!

And note American Machinist's sweeping coverage of the field. More regular paid subscribers than any other paper.

Here's a field where buying *today* is at *predepression* tempo. Just look at the sales curve! No optical illusion—just bolstered by plenty of big-quantity orders.

And there are lots more coming. Make sure that you get your share—to bolster *your* sales curve.

First, get your sales story before the key men in the field. Then, keep it there. The easiest, quickest, most economical way is by continuous advertising in American Machinist.



AMERICAN MACHINIST

A MCGRAW-HILL PUBLICATION

330 W. 42nd STREET, NEW YORK

Economy Spell," Too

President's budget revision sounds encouraging note, although there are some important "ifs" in the way.

In his redraft of the 1936 budget, this week, President Roosevelt struck another note in the business-government harmony that is being improvised in Washington during these pre-election days. He picked up again the economy program that rang out in 1932, had its last expression in the Economy Act of 1933, was drowned out in the \$7-billion deficit message of 1934.

This time the economy movement is woven into the general "encourage business" phrase that started with the "breathing spell" declaration. Variations of the same theme were heard in the new NRA announcement and in the echoes from Boulder Dam this week, suggesting the quickening rhythm of business activity on which the piece is intended to have its finale.

The revised 1936 budget is expected to appeal to business interests on several scores. It slices expenditures from \$8,520 millions to \$7,752 millions, raises estimates of income from \$3,992 millions to \$4,470 millions. Hence it cuts the prospective deficit for the year ending June 30, 1936, from \$4,528 millions to \$3,282 millions. This is a direct reflection, however, of the fact that government revenues are growing as private incomes recover and business picks up, on the one hand, and that the government has not been able to spend as fast as anticipated on the other.

"No New Taxes"

More interesting to business was the President's accompanying statement that the 1937 budget, now in preparation, would cut the deficit further; that no new or higher taxes would be proposed next session.

There are skeptics in the President's audience who point out discordant notes. "Speedy" decline in federal expenditures for emergency activities is contingent upon a continuation of the prevailing rate of business recovery. Smaller deficits are possible only if no new items of expenditures are added by Congress—and Congress will vote on soldiers' bonus, among other things. Present sources of revenue will be adequate only if they all stand up—and processing taxes, expected to total \$536 millions this year, may be thrown out by the Supreme Court.

Cheering to business is the fact that the Administration is again talking about balancing the budget, even if vaguely; that it is actually tapering off the deficit this year; that it will try to work further along these lines in 1937. The deficit projected for fiscal 1936, leaving out debt sinking funds, is \$2,-

731 millions, smallest since 1933 and the second successive decline.

Of course, the first Roosevelt budget message presumed that a balance would have been struck between income and outgo by 1936. But it also presumed heavier earlier spending. The 1934 deficit was to have been \$7 billions, that of 1935, \$2 billions, with none thereafter. So far, there have been deficits of \$3.6 billions in 1934, \$3 billions in 1935. One of \$2.7 billions in 1936 would round out about the same 3-year total as outlined at the start of 1934, with the significant difference that the end is not yet.

Guarantees Add to Debt

Net result to date is a federal debt of \$29.4 billions and an expected debt of \$30.7 billions by June 30, 1936, in addition to which the Treasury has lent its credit to relief agencies through guaranteeing their obligations to the amount of \$4.3 billions and has com-

mitments to assume about twice that amount of such contingent liabilities.

So far, the interest cost of its borrowing has declined as the debt rose. Provision for interest in the 1936 budget is \$76 millions less than actual payments in 1935. This is possible because of the easy money condition created by the Treasury's operations and its use of cheap short-term money.

Higher Taxes Anyway

Fear that the cost of financing deficits may rise is one factor which makes some commentators on the government's fiscal program question the President's optimism about the present tax structure being adequate to cover its operating expenses and to retire the debt. They also note that higher income and estate taxes are already on the books although they will only moderately affect 1936 revenues and have not yet been felt by the taxpayer. Particularly, they recall the President's defense of bigness taxes in his recent "breathing spell" letter and get a tip from that as to where the government will look for more revenue if needed.

Also among the "adequate" taxes are those social security payroll levies starting next year on a 14-year progression.

The "Economy" Budget — As Revised Sept. 29

(In Millions)

Fiscal Years to June 30:	1936 (Budgets)			1935	1934
	Revised	Original	Changes		
Income:					
Income Taxes.....	\$1,434	\$1,188	+\$246	\$1,099	\$818
Other Internal Revenue.....	1,855	1,686	+ 169	1,657	1,470
Processing Taxes.....	536	570	- 34	521	353
Customs.....	353	298	+ 55	343	313
Miscellaneous.....	292	250	+ 42	180	161
Total.....	\$4,470	\$3,992	+\$478	\$3,800	\$3,115
Expenses:					
Civil Departments.....	\$791	\$890	— \$99	\$580	\$669
National Defense.....	700	792	— 92	534	480
Veterans.....	710	705	+ 5	606	556
Debt Retirement.....	551	636	— 85	573	360
Debt Interest.....	745	875	— 130	821	757
Recovery and Relief.....	4,255	4,622	— 367	4,262	4,283
Total.....	\$7,752	\$8,520	— \$768	\$7,376	\$7,105
Deficit:	\$3,282	\$4,528	— \$1,246	\$3,576	\$3,990
Less: Debt Retirement.....	551			573	360
Net Deficit:	\$2,731			\$3,003	\$3,630
Debt:					
At Beginning of Year.....	\$28,701			\$27,053	\$22,538
Plus: Deficit.....	2,731			3,003	3,630
Less: Bonds Retired with Gold "Profit".....	550			92	
Change in Cash Balance.....	—158			—1,263	+885
At Close of Year.....	\$30,724			\$28,701	\$27,053
Contingent Liability:					
On Bonds Guaranteed for Relief Agencies.....	?			\$4,123	\$681

Business Abroad

Markets everywhere reacted to Mussolini's advance in Ethiopia. Germans face serious fat shortage. Paris will back London, but meanwhile fills big Italian orders. England studies large budget increase for rearmament.

BUSINESS, stock and commodity prices, and foreign exchange rates in every major country reacted this week to the Ethiopian crisis (page 7). Until some decision on future policy is reached by the League of Nations Council, however, Britain is expected to take no decisive action. This will require time. If, meanwhile, Mussolini can have a military victory or two along the not-too-well-defined Ethiopian frontier, he may feel that he can talk terms which France and Britain think allowable without, at the same time, risking his prestige at home. That seems to be the way out now. Developments in the next 10 days may change the picture, but this is improbable in the light of last-minute advice from European capitals.

Germany

Germany cultivates new friends in Eastern Europe. Fat shortage is serious in cities; imports are expected; next year's supply is likely to be normal.

BERLIN (Cable)—While Britain, France, and Italy are absorbed in the Ethiopian affair, important new developments are taking place in Germany.

The vote in Memel last week was a victory for the Germans, but no hasty move is likely to be taken to arouse the comment of the League of Nations. It is definitely believed, however, that relations between the Germans in Memel and in neighboring East Prussia will become more intimate during the winter.

At the same time, relations with both Poland and Hungary are improving as a result of long conferences between foreign ministers of all three countries, and following the earlier efforts to stimulate trade within the group.

Butter Lines

Berlin's fat shortage is serious. Butter is being rationed, and the authorities are struggling to prevent the hoarding of other fats. It is a logical development, however, which the authorities have attempted to alleviate. A year ago there was such a serious shortage of fodder that many farmers were forced to kill their hogs. Though the situation has been remedied now, and the number of hogs is multiplying rapidly, the present shortage will last through the winter and should open up a market for a certain volume of imports. Germans anticipate, however, that preference will go to neighbors who already buy a surplus of German goods rather than to the United States where trade relations are especially strained just now.

Money is tighter as a result of the large subscription to the new Reich loan and the private discount rate has

advanced $\frac{1}{8}\%$, the first upward move since May. Stock prices were firmer early in the week under the delusion that there was going to be a lull before the storm really broke in Ethiopia.

France

Industries make large sales to Italy; treasury facilitates liquidation of French bonds held by Italian government. Feasibility of sanctions is doubted.

PARIS (Wireless)—The bargaining at Geneva, the tenseness in Rome and London, and the beginning of the long-contemplated Italian advance into Ethiopian territory have depressed the Bourse. Business has failed to react one way or the other, though Italian

purchases of French goods are lowering prices of such military consumables as leather, steel, and scrap iron. Paris has revealed that French coal mines have contracted big orders on Italian account.

The question of sanctions is uppermost in everyone's mind. There is no doubt that Britain intends to push the issue, but Paris is skeptical of its effectiveness. With the British position in the Mediterranean untenable for any long siege because of the lack of an adequate naval base in the eastern area and because Malta—heretofore a center of all maneuvers in the Mediterranean—is completely open to Italian air raids, the application of sanctions becomes a serious matter unless France will cooperate whole-heartedly.

Eyes on Rome

Italy is watched closely. The majority of Frenchmen feel that Mussolini must now, for the sake of his prestige, go ahead with his military expedition in Ethiopia but that after a short victorious campaign he may be willing to negotiate a settlement agreeable to Britain and France. The French base this belief on a knowledge of the situation in Italy where internal business and finances are only a little more shaky than internal politics.

Among the foreign assets which the Italian government forced their nationals to hand over, in return for Italian treasury notes, are about 500 million francs of French rentes. The Italian embassy in Paris is rumored to be negotiating with the French treasury for the sale of these rentes in order to keep them off the stock markets. They will probably be taken over quietly.



ARGENTINA REGISTERS WITH SEC—First of the foreign countries to supply the information required by SEC for listing of securities on the New York Stock Exchange, Argentina, represented by C. Alonso Irigoyen, financial attaché (right), tenders to Commissioners Healy (left) and Mathews (center) application for listing \$241.5 millions of bonds. Information supplied on Argentina's income, expenditures, and foreign exchange operations encourages other countries which have hesitated about registering for fear SEC might ask too much.

Great Britain

War threat overshadows business. Britain will rearm on vast scale.

(Cable)—The City is tense. Investment funds continue to flow to New York; the pound is weak and likely to continue so, though it will be supported by the Exchange Equalization Fund. The rush of new issues which characterized the investment market for the first half of the year has dried up almost completely. Fixed investments—Britain's common name for the investment trust—are winning some popularity on the appeal that war risks demand diversified investing. London authorities look for the building boom to ease during the present tenseness, but anticipate that vast rearmament orders may help absorb men who might otherwise find themselves out of work.

Air Defense

Closely related to the war threat is the announcement in London that all general air lines are being merged into one great organization with the idea of rationalizing their schedules, extending routes, and bettering Britain's service. United Airways of London will be the nucleus for the new £4 million combine. Feeling over the European outlook is running high. It is divided, though in the last few weeks the public has pretty well broken through all party lines and come to the support of the government. The lesson of Ethiopia and Memel to Britain has been summed up by the Chancellor of the Exchequer. It is incredible that Britain's prestige should be injured by lack of armaments, and that Continental nations should be able to doubt if Britain's promise to carry out her obligations can be implemented. This frank exposing of Britain's weakness at such a moment by Neville Chamberlain is the prelude to another rearmament drive. London is still in the dark whether a "defense loan" will be offered or an heroic attempt made to finance rearmament through the budget. If the government went to the market for £250 millions or £500 millions, it would now have to pay about 3½%. On the other hand, there will be a budget surplus, though it is going to be much smaller than was anticipated a few months ago because of supplementary expenditures for armaments. To finance new expenditures through the budget would be simple and cheap, but it would be bound to meet with the opposition of business which would be quite unwilling to see income taxes increased. The problem will receive serious consideration in coming months.

Canada

General election campaign enters last phase, with business anticipating a coalition government.

OTTAWA—Approximately 900 candidates will battle for the 245 seats in Canada's House of Commons in the Oct. 14 election. Nominations took place

this week in 76 remote constituencies and an average of 4 candidates to a constituency entered the field. They represent Conservatives, Liberals, Stevens Reconstruction Party, C.C.F., Social Credit, Labor, and other groups. Advance nominations indicate that Social Credit is likely to upset the plans of other parties on the prairies. In Saskatchewan, nominations were held in 21 constituencies and Social Credit candidates were named in 20; they were named in all 13 advance nominations in Alberta. In these provinces the Stevens organization is leaving Social Credit and the C.C.F. to oppose old parties.

Business Expects a Coalition

Business interests have not lined up behind any party, are cool toward both Bennett and King, perhaps hoping for a stalemate to force national government on the country. The chief newspaper voice of "St. James Street" condemns Bennett for his social and economic reform program, and blames King for not taking a definite stand against it. Most observers expect either a Liberal victory, or a majority for the Bennett and Stevens parties combined, with their coming together after the election to form a government. Stevens himself is predicting, however, that if no party has a majority, Liberals and Conservatives will combine to form a government under domination of St. James Street.

Under the Empire pacts, Canada's bacon exports to Britain have been multiplied by nearly 20, jumping from 5 million pounds in 1931 to 90 millions last year, with an increase this year over last. Improved hog breeding and grading also influenced the betterment.

The election campaign appears to have less adverse effect on general business than usual, but acceleration is anticipated after polling is over, regardless of the result.

Latin America

Credit conditions in general are good, but exporters are warned about certain countries.

WASHINGTON officials announced their own survey of credit conditions in Latin America this week. On the whole, the outlook is encouraging, but there are warnings to exporters to certain countries.

In Chile, American frozen credits were estimated at 57 million pesos on Aug. 1. The government is still restricting exchange operations and granting nothing for frozen credit liquidations. Actually, however, those who hold the important blocks of frozen credits are not interested in immediate liquidation.

Because of exchange restrictions, exporters to Bolivia must receive cash in advance of shipment of goods. Merchants are expecting improvement in the import and export rate of exchange. Whether sufficient exchange will be available at the new rate is not a credit factor as the present curb rate will automatically improve with any

change in the official rate. Debtors will wait for this improvement to make payment. No change is expected for several months. Credit should not be granted in the meantime.

The credit and collection situation in the British West Indies is reported as normal, with no marked increase in extensions. Collections in El Salvador are slow. Collections in the French West Indies are very slow. There has been no improvement in the situation in central and southern Honduras since July and American firms are cautioned to exercise extreme care in extending credit to any but conservative houses.

The *Overscas Trader*, reflecting reports to the American Manufacturers Export Association, adds to the current Latin American credit picture. Nicaragua is listed as meeting its obligations generally within 15 months. Costa Rica is paying current bills promptly. Colombia is only fairly prompt.

Far East

Japanese business booms as British and Italian merchants concentrate on home developments. Manchukuo is forced to buy only Japan-made cars.

THE feeling that Britain is going to be involved in trouble in Europe, and thus bound to be less effective in competing with Japan in world markets, and the prospect that Italian competition in world rayon markets is going to be much less severe in the next few months, continues to react favorably on Japanese business.

Cotton textiles, Japan's major industry these days, are operating at 10% greater capacity now than a year ago. Woolen textile output is up 19%; rayon 18%. Cement is lagging at approximately the same levels as a year ago, but pig iron output is 14% greater.

Russia is helping to boost Japanese business by continuing to make purchases under the contract which disposed of the Russian interest in the Chinese Eastern Railroad in return for a small cash payment and the balance in Japanese goods. By the end of August, these orders amounted to about \$12 millions. Largest commitments have been for electric machinery and Diesel engines, but others include 2 oil tankers and 151 small fishing craft, large quantities of cement, and some foodstuffs.

Two new policies affecting the automobile industry in Manchukuo have been announced in Hsinking. The first demands that all truck chassis for use in the province must be purchased from the Dowa Automobile Co. unless special permission is granted by the army staff. The second is that only Japanese-made cars may be used in private motorbus enterprises. Tokyo's *Trans-Pacific* reports that orders for about 50 Ford and Chevrolet machines for use by the South Manchuria Railroad administration have been cancelled since the restriction was announced.



Money and the Markets

Securities wobble, commodities soar, dollar advances as financial community watches war developments. Revised budget indicates continued short term Treasury borrowing. Record refunding activity features bond market.

OUTBREAK of war in Ethiopia had the natural effect of making domestic financial circles uneasy this week. Security markets suddenly developed tenderness under the news, while commodity markets shot up on anticipatory sprees.

Foreign exchanges could hardly have been expected to maintain steadiness in the face of developing hostilities, but the effort they made was nevertheless a fairly good one. The dollar, looked upon as outside any sphere of war influence that could be called probable at this stage, naturally served as a haven for mobile international funds and, despite operation of equalization funds abroad, our money gained strength at the expense of foreign currencies.

Gold Continues to Pour In

Influx of gold is by this time almost routine; hence this week's engagements for shipment here made no startling news. The effect of gold imports thus far in the month has been to suggest that October will line up with all preceding months of the year. Gold has been coming here steadily throughout the year. In September the movement attained proportions that warranted describing it as the third important wave since devaluation of the dollar. A total of \$152 millions arrived during the month, carrying our total gold stock to the new all-time high of \$9.3 billions.

Money rates have been unable to move up from the bottom figures which are of 5 months standing. Continued existence of surplus funds with no working outlet of consequential importance yet available is a constant check against advancing rates.

The report of Federal Reserve mem-

ber banks for the latest week contains some indication of demand for credit, but as in preceding weeks the amounts are small. Total loans and investments increased \$42 millions.

Last week the Treasury announced open season up to Jan. 1, 1936, for redemption of government gold clause securities. For 3 months the Treasury will pay par plus accrued interest for any of the \$8 billions of gold clause issues that may be presented to it. The action was taken in accordance with the resolution adopted in the last Congress paying the way to a final shutdown on gold clause suits.

Two factors appear to make the action merely a gesture. First, the securities involved are selling above par. Second, there is nothing obligatory about the offer and present holders probably will prefer to keep their issues on the chance that some day the gold clause controversy may be settled by the courts in favor of security holders.

Favor Short Terms

Increased bill offering and revised budget's cut on interest charges indicate Treasury expects to continue short-term borrowing.

THE market in long-term government obligations continues to be unsuited for the Treasury's aims. Last week bill offerings were stepped up from \$50 millions to \$100 millions, suggesting that the Treasury is now trying to get a little more of its money out of the short-term market.

Further evidence that the short-term market is to be favored was contained in the budget revision which cut the interest charge figure for the fiscal year, a tacit admission that the Treasury was going to make use of the high yields in short terms.

Early in the week, the conversion operation on the Fourth Liberty Bonds rounding the hump with \$826 million exchanged for the new 2½s. The process has been slow and by the admission of officials pretty unsatisfactory all the way along, but if a final burst of \$200 millions in exchanges is achieved the Treasury will come out all right in the deal. Federal expenditures are presently running about \$24 million a day with the deficit climbing at the rate of \$10 millions a day.

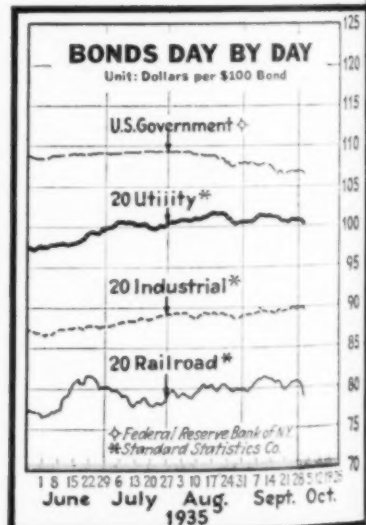
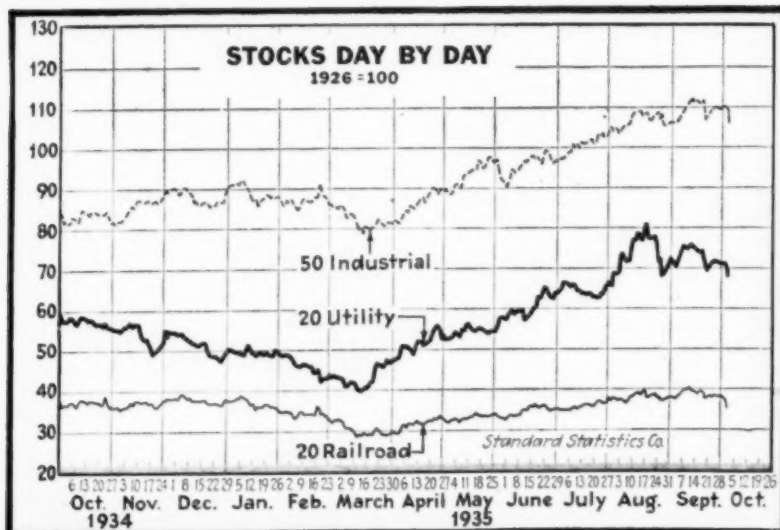
Commodity Spree

War news boosts raw material markets. Wheat already ripe for good year because of small crop in major exporting countries.

THE pugnacious speech of Premier Mussolini on Wednesday, followed by Italian invasion of Ethiopia Thursday stirred commodity markets to feverish action; grains and cotton kicked up spectacularly, with all raw material markets affected.

The potential war picture in which one of the most sensitive of all commodities to war influence, is one of considerably greater tightness this year than would have been the case in any of the last 5 years. Indeed, the commodity trade more than half suspects that the world wheat position is strong enough for a respectable bull market without any war stimulus. Only the poor economic condition of Continental buyers and the chance that Russia might surprise the markets with larger-than-expected exports keep the bulls from an exhibition of old-fashioned enthusiasm.

There is very little time left in which the Argentine crop may recover from





is persistent drought check this season. In fact, exports from the South American country, aside from the usual quantities that may be available for supplying her neighbors, have already been given up as a possibility of any real consequence. Thus, there is at least a 150-million-bu. hole in export supplies to begin with.

Should a war stimulus bring world import requirements up to around the 600 million mark, buyers would undoubtedly have to compete sharply for their needs. Canada is hopeful of a demand of this size but the evidence to date is against it. For one thing there has been no anticipatory stocking up in Europe. Also the Continent has already demonstrated that if prices rise it can refrain from buying in anything like normal volume. In the first 3 months of the current season prices have been high enough at all times to hold aggregate exports from surplus countries to 100 million or considerably less than a year ago.

Headline Pressure

Stocks break on news of Ethiopian situation, but traders continue to believe that fall rise will be squeezed out.

At the first sign of critical news from Geneva and Africa, the stock market played its traditional rôle as the recipient of uneasy selling. At midweek, prices cracked sharply on a sizable increase in trading volume. Financial opinion in general leans toward the thesis that stock prices can afford a respectable shaking-up after the half-year advance that was not really checked until last month.

A conflicting opinion is that stocks are not seriously vulnerable to any news except possibly new threats of

governmental reforms. Backed by easy money, improving business news, the flow of gold to this country, the ever-present inflationary emphasis on equities, and the unextended position of stock market credit, the stock list is in good shape to resist a general lowering of values.

Traders continue to believe that, barring calamitous events in the near future, the market will still be able to squeeze out that autumn advance which has looked likely right along but has not yet registered even a modest beginning.

Refunding Heavy

September advance redemptions double those of a year ago. New financing light; future offerings shadowed by war threats which depress list generally.

REFUNDING activity continues apace in financing circles. Total bonds called for redemption before maturity during September were \$350 millions, more than double the aggregate of a year ago and considerably larger than the total of August this year. Prepayments scheduled for October exceed the September total and December is also expected to be a month of heavy redemptions.

New private offerings this week were relatively light. Atlanta Gas Light had a \$5-million issue on the market, and among the municipals Louisville, Ky., and Schenectady, N. Y., each had moderate amounts for sale.

A large batch of projected refunding now under discussion is that of Consolidated Gas. This prominent public utility has \$300 millions which it could redeem and all issues have been selling above their redemption prices. In the kind of market that has existed for high

grade utilities during the last few months, Consolidated Gas should have no difficulty in trimming interest charges. Currently, outstanding issues carry 4½% to 6% coupons, with 5% the most common rate.

The bond market in general is still in very high price territory, but this week practically the entire list was hurt by developing hostilities abroad and by the poor individual behavior of some second-grade rail issues, notably the New Haven bonds. As had been the case for some weeks, industrial bonds proved the least susceptible to selling flurries, but war influence was pretty general in its depressing effects and the average tone of the entire market was lowered. Extension of the reaction could conceivably have a marked effect on new financing plans of a long list of companies.

In the Vans' Wake

Nickel Plate defaults, but an RFC loan extension helps out. In Cleveland Railways, salvaged from the auction, the brothers have a marketable nest egg.

No sooner had the Van Sweringens reacquired Allegheny Corp. from the banking creditor group at this week's auction (page 9) than one of the flock got into trouble. Nickel Plate, the Van Sweringens' original love among the major roads, defaulted on a maturity dated the day after the auction.

The default was no surprise. For a month Nickel Plate has been exhorting



GENERAL MILLS, INC.

29th Consecutive Common Stock Dividend

September 21, 1935
Directors of General Mills, Inc., announce the declaration of the regular quarterly dividend of \$0.75 per share upon the common stock of the company, payable November 1, 1935, to all common stockholders of record at the close of business October 10, 1935. Checks will be mailed. Transfer books will not be closed. This is the 29th consecutive dividend on General Mills Common.

(Signed) **KARL E. HUMPHREY, Treasurer.**



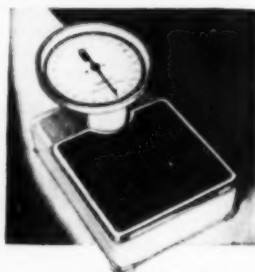


GAIN THE SALES POWER OF BEAUTY WITH ACME SUPERSTRIP

● Perfect in finish, Acme Superstrip adds beauty that gains attention and creates sales. It is lasting beauty that withstands time and use.

Furthermore, Acme Superstrip is fitted exactly to the production needs of your product. Trouble and rejects, waste and lost time, are eliminated. Countless production schedules prove this so.

A well-known bathroom scale. Many parts, including the gleaming trim and bumpers are made from cold rolled Acme Superstrip. This is just one of scores of "consumer" products using the beauty of Acme Superstrip to gain sales.



Whatever your need... beauty, durability, formability, etc., Acme Superstrip does its job more efficiently and economically because it is produced for that job.

Check into this better than ordinary strip steel. Send the coupon today for the booklet, "Batting 'Em Out." ACME STEEL COMPANY, General Offices: Chicago. Branches and Sales Offices in Principal Cities.

Acme Superstrip

HOT ROLLED • COLD ROLLED • GALVANIZED • STAINLESS

ACME STEEL COMPANY
2828 Archer Avenue, Chicago
Send me your booklet, "Batting 'Em Out.'"

Name _____

Firm _____

Street _____

City _____

State _____

bondholders to deposit bonds under a 3-year extension plan to spare themselves and the company the consequences of outright default. Thus far, response has been fair. RFC has extended its \$15-million loan to the company to Feb. 27 under stringent conditions.

With the Van Sweringens back in the saddle—thanks to their new Midamerica Corp.—financial quarters were provided with unlimited gossip concerning potential moves of the revived empire heads. One matter of common agreement was that Midamerica, which carried back home from the auction a sizable block of Cleveland Railway, has a nest egg that will provide capital if and when it is needed for future Van Sweringen moves. The Cleveland Railway stock is readily marketable and would bring around \$2.5 millions in cash.

Sympathy for the plight of the voting power in Allegheny is probably wasted. With collateral behind two of the three Allegheny bond issues below requirements, the trustee, Guaranty Trust, holds the voting power and is impounding interest. Guaranty, however, has given the Van Sweringens voting proxies before and there is no evidence that the bank will alter the pattern.

RFC and the RRs

Attempt to set refunding conditions on Great Northern loan follows on heels of Jones' squabble with New York Central.

RFC has been nearly as prominent in the railroad news as the Van Sweringens this week. The squabble between Jesse Jones and the New York Central management and bankers was exposed in publication of a peppery three-cornered correspondence. This choice dossier included claims by the RFC that the bankers and management were not trying very hard to renovate the road's financial condition and counter-claims by the bankers that RFC was trying to get them to break the law by underwriting a refunding of NYC's bank loans—an act which they stated could not be accomplished according to the terms suggested publicly by Jones. The implication was that the RFC, simply by broadcasting its ideas in advance, could not set absolute rules for railroad financing.

Jesse Jones, RFC chieftain, was again limelighted when he wrote a letter to the president of the Great Northern suggesting that RFC would advance the road all or any part of \$50 millions to help along the refunding of \$106 millions of 7% bonds maturing next July. In making the offer RFC laid down certain stipulations including a request that the refunding bonds be 20-year issues carrying 4½% coupons, and that they be convertible. Great Northern, with earnings exceeding fixed charges, can probably get along without the proffered help. The road could save about \$2½ millions annually by refunding the \$100 millions at 4½%.

FDIC Payoff

Million-dollar shortage in Bradford bank confronts Crowley with biggest deposit coverage job.

FDIC this week was on the paying end of the biggest job it has had since deposit insurance went into effect. At Bradford, Pa., the Commercial National Bank failed to open on the morning after the bank's assistant cashier was found a suicide, and FDIC prepared to take over the closed institution, paying off some 6,000 insured accounts to 95% of the bank's depositors.

The Bradford bank is the twenty-first sore spot that FDIC has been called upon to salve, but this latest closing involved more deposits than the aggregate of the score of others. Deposits totaled \$5 millions, of which about \$4.2 millions were insured.

Auditors discovered defalcations estimated at about \$1 million. FDIC assumes the shortage and takes over the job of liquidating the institution. It is assumed that as new boss of the bank FDIC will have recourse to whatever surety coverage of employees existed and will consequently come out of the affair without serious loss.

Chairman Leo T. Crowley of FDIC feels pretty good these days. His corporation lost only 34 banks with \$200 millions of deposits when the final limit for withdrawal was reached recently and now has 14,160 of the nation's banks, holding 98% of all deposits, among the insured group. Only 1,000 remain outside. A total of 7,700 non-Federal-Reserve-member state banks have voluntarily joined FDIC.

Troubled Oil

Despite curtailment recommendations, California ups petroleum production estimates. Startled trade anticipates price softening to force restriction.

SHATTERING hopes that the California oil mix-up would take a turn for the better, the Oil Producers Agency of California this week confounded the petroleum trade by raising the estimate of required production to 590,700 bbl. daily for the last quarter of the year.

In October, the U. S. Bureau of Mines recommended a production figure of less than 500,000 bbl. daily. The oil trade was hoping curtailment efforts would finally bear some fruit after an extended wrangle and serious price wars in California.

Last week California produced 633,000 bbl. daily, somewhat below the preceding week, but far in excess of the level of 500,000 believed to be the economical high point for September.

With the sudden relaxation of curtailment efforts, California oil people are wondering if it will not require a slash in prices to enforce reasonable restriction on production.

Editorially Speaking—

In *Public Management* we find a laudatory description of "the representative administrator" of a municipal department. "At his best," writes Norman N. Gill, who interviewed 116 officials before writing his article, "the representative administrator had a university education plus professional training. He entered the city service in his early or middle thirties, and rose step by step to a responsible position. He understands thoroughly the technical as well as the administrative problems of his work."

P.S. Not more than 20 of the 116 officials interviewed by Mr. Gill come within this classification.

You never know where you'll find some precious little phrase to brighten your day. The Department of Commerce sends us its *Survey of Current Business*, and in a tabulation headed "Reconstruction Finance Corporation—Amount of Loans Outstanding," there's a column devoted to "Self-liquidating projects (including earthquakes, etc.)."

From a men's clothing ad: "It is said that a gentleman is a man who never uses the word 'gentleman.'"

That seems to let the ad-writer out, doesn't it?

This is the story of a CWA worker, a dog, and a rabbit. It comes from the Works Progress Administration, which is doing a good job of holding down the number of accidents on its projects. Harry Hopkins reduced the CWA accident rate to half of what the statisticians had predicted, and he hopes to do still better with the WPA. One accident on a CWA project came about in this fashion:

A worker was digging in a gravel pit at the bottom of a slight hill. Chased by a dog, a rabbit came over the top of the hill with such speed it dived over the edge of the pit, striking the worker in the neck and knocking him down. Both were stunned. The worker suffered a stiff neck for a few days.

The rabbit apparently got away, after all. Probably the dog was busy calling the ambulance.

A COUPLE of years ago Frank Lloyd Wright, about as great an architect as the United States has ever produced, designed an apartment house with built-in furniture. Builders considered his design too radical. But recently C. M. Snyder, appliance director of the home-building program of the General Electric Co., predicted Mr. Wright's idea would be gradually adopted. It sounds like cruelty to women. What will they do if there's no furniture to shift around,

especially when the old man has sunk back into his favorite chair with a pipe and a paper?

This indoor sport of women is the theme of Nunnally Johnson's classic, "There Ought to Be a Law," one of the funniest stories ever written. It was made into a movie a couple of years ago. Previously it had been published as the lead-off story in his book of the same title.

There were about a dozen other stories in the book, and we can still remember some of the titles—"Those Old Pals of Hers," "Twenty Horses," and "Mlle. Irene the Great." All this is a free advertisement. Some day when the furniture is being shifted around in your house, go out and hunt up Nunnally Johnson's book, and when you have recovered from your laughter over the title story, try to induce your wife to read it. She probably won't think it's funny. Wives are often that way.

A SEATTLE reader suggests that we follow the example of another publication, which carries at the top of its editorial page a quotation from Voltaire, "I wholly disapprove of what you say but will defend to the death your right to say it."

There are several reasons why the suggestion doesn't appeal to us. One is that we're not sure we're heroic enough to defend other people's rights to the death. Another is that Voltaire himself didn't do much defending to the death, being considerably too fond of his own skin. And finally, we've never seen any proof that Voltaire really wrote the quoted sentence.

And so, in compliance with a genuine maxim of Voltaire's, we'll just go on cultivating our own garden.

WHEN automobile radios first appeared, people were afraid they would distract the attention of drivers from the traffic and thus increase the number of accidents. Unquestionably they do tend to distract the drivers' attention; but this may not be all to the bad. When a driver is half-consciously listening to the radio, he is less impatient with the traffic he has to get through.

The testimony of the average driver with a radio-equipped car is that listening-in while on the road reduces his speed about 10 miles an hour. And though speed alone may not be the primary cause of highway accidents, it certainly aggravates their severity.

EXAMPLE of how to make the most of your name in business: A window-sign at a beauty parlor gives the proprietress' name, E. Ginn; and beside it is the slogan, "Ginn Makes You Beautiful."



Railway Exchange Building,
Kansas City, Mo.

KANSAS CITY BUILDINGS REDUCE HEATING COSTS

Webster Moderator Systems Give
Increased Heating Comfort
For Less Money

ACHIEVE SUBSTANTIAL SAVINGS

Kansas City, Mo.—Without any starving of the system to get results, an Improved Webster System of Steam Heating reduced the fuel bill in the Railway Exchange Building \$2,196.21 during the 1934-35 heating season.

This appreciable saving in annual heating cost was achieved by reducing steam consumption approximately 30 per cent. Before modernization, the Railway Exchange Building required an average of 11,159,000 lbs. of steam annually. With the Webster Moderator System, fuel consumption totaled only 7,803,500 lbs. of steam.

During the same period, the newer Bryant Building, 23 stories in height, saved \$1,204.23 with the Webster Moderator System. Coincident with this sizable reduction in heating costs, there was a marked improvement in heating service.

Heating records of two other Kansas City buildings substantiate the effectiveness of Webster Systems of Steam Heating. In four months, at the R. A. Long Building, steam consumption was reduced the equivalent of \$875.26. Between November and June of the 1934-35 heating season, Harzfeld's Inc., saved \$341.45.

The John J. Sherin Plumbing & Heating Company made the heating installation in the Bryant Building. In the Railway Exchange Building, the R. A. Long Building and in Harzfeld's, Inc., the U. S. Engineering Company acted as modernization heating contractors.

If you are interested in (1) improved heating service and (2) lower heating cost in your building, address
WARREN WEBSTER & CO., Camden, N. J.
Pioneers of the Vacuum System of Steam Heating
Branches in 60 principal U. S. Cities—Establ. 1888



Bryant Building

OCTOBER 5, 1935

What Price Breathing Spell?

Alfred P. Sloan, Jr., president of General Motors, seems to have reflected the opinion of a great majority of business men when he spoke his mind about the President's breathing spell. In words that are surprisingly forthright for the head of so large a corporation he observes that business is really beginning to breathe and serves notice it doesn't propose to let anyone strangle it again.

Some time next winter a definite answer may be had to the question whether business improved this fall because of or in spite of the Administration. The President wants and feels he is entitled to credit for such improvement as occurs. He will get it if a constructive attitude towards business is maintained after Congress convenes in January. On the other hand, if radical and destructive legislation is again proposed with the Administration's sponsorship or support, nothing can shake the conviction that what prosperity we enjoy between now and then was had in spite of the New Deal.

Whatever may be the attitude of agriculture, labor, or the direct beneficiaries of the Administration's bounty, business is almost a unit in demanding that it be let alone. The farther one gets from Washington and New York the more vocal this attitude becomes. Nor is it confined to big business.

This attitude takes a curious turn in the Middle West. There, as in the South, the Administration is given more credit than in the East for stopping the panic. Business men and bankers join the rank and file in applauding Mr. Roosevelt's early handling of the banking situation. It is generally conceded that agricultural credit facilities and adjustments saved the American farmer, and that the Reconstruction Finance Corp. served business and industry well in a crisis. On the other hand, the Middle West more than any other section resents the threat of an attack on the Constitution; is alarmed over the prospect of burdensome taxes; fears the possibility of socialized credit; is aware of the abuses of relief expenditures, and generally demands a return to conservatism in government.

One of the most important factors in molding public opinion generally and business opinion in particular,

next year, will be the course of the real estate market. Whether by coincidence or not, it is a fact that a distinct improvement in real estate values set in about the time Congress adjourned, and was given a real impetus by Mr. Roosevelt's "breathing spell" message.

Individual wealth and competence in old age were once achieved in this country largely by the unearned increment of real estate. The destruction of real estate values contributed more than anything else to unrest and despair. If land values, both urban and rural, continue to increase next year under the stimulation of a constructive Administration attitude, Mr. Roosevelt probably can take credit for most of the progress made in a return toward prosperity. If the movement seems to be impeded by a return to legislative and administrative experimentation, a much larger circle than that of organized business would be convinced that it survives despite the Administration.

Railroads Promise Transportation Advance

The Santa Fe Railroad, through one of its subsidiaries, has just purchased control of the Southern Kansas Stage Lines Co. which operates a vast network of trucks and buses over the highways of 9 Western states. The news is important to business generally and to railroads in particular.

The new federal highway regulation law, known officially as the Motor Carrier Act, at last gives the railroads an opportunity to enter into the highway transportation business on an investment basis. Properly administered, the act should put an end to seasonal and fly-by-night operators who sell transportation for less than cost and demoralize the business. The important thing is that it gives the

railroads an opportunity to become what they should have been these many years: transportation companies and not simply railroad companies.

The late General Atterbury, president of the Pennsylvania, foresaw some 15 years ago what competing transportation agencies eventually would do to the railroads, and outlined a program for making the Pennsylvania a real transportation company. Archaic shipping laws and haphazard operation of highway transportation spoiled most of his plans. Had he lived, he probably would have made the most of the present opportunity.

There was some logic in the arguments of those who opposed the highway regulation bill. The bill was urged by railroads, which were strangled by regulation in trying to compete in an unregulated field. The problem might have been solved in part by lessening some of the restrictive regulation of railroads. But traffic will probably continue to move in growing volume over the highways. With a considerable volume of business, trucks and buses can operate more economically and give a more satisfactory point-to-point service than railroads. The public will be served best when these facilities are in the hands of large and well-organized companies which operate under all conditions and maintain fixed standards of service and rates.

Business is beginning to recognize the stake it has in these problems. A group of agricultural, industrial, and financial leaders have recently organized the Transportation Association of America for the primary purpose of protecting the railroads against political strangulation, and cooperating with them in perfecting a coordinated transportation system on a national basis to deliver the maximum of service at a minimum cost. The new association was organized by Donald D. Conn, who was the moving spirit in initiating the regional shippers' advisory boards which have been so effective in improving transportation service by co-operation between shippers and the railroads. American railroads know how to deliver good transportation cheaper than those of any other country. They would appear, now, to have the opportunity and incentive.

Published weekly by McGraw-Hill Publishing Company, Inc., 330 West 42nd St., New York. Tel. MEdallion 3-0700. Price 20¢. Subscription: \$5.00 a year, \$10 for three years. U. S. A. and possessions. Foreign, \$7.50 or 30 shillings. Cable code, McGrawhill

Glenn Griswold,
Vice-President and Editor

Ralph B. Smith
Managing Editor

Paul Montgomery
Manager

Marketing, O. Fred. Rost
Industry, Wallace Thompson
Foreign, J. F. Chapman

News Editor, Louis H. Engel
Transportation, Irvin Foos
Typography, F. A. Huxley

Economist, David Dillman
Finance, Arthur W. Baum
Statistics, R. I. Carlson

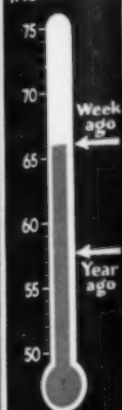
Washington, Paul Wootton, Carter Field

OCT. 12

1935

B

BUSINESS INDICATOR



become
en these
companies
panies.
ry, presi-
foresaw
ompeting
eventually
and out-
the Penn-
ion com-
and hap-
ay trans-
his plans.
ould have
nt oppor-

the argu-
the high-
bill was
ch were
trying to
field. The
solved in
f the re-
ads. But
e to move
the high-
e volume
es can op-
nd give a
oint serv-
ublic will
facilities
and well-
h operate
maintain
nd rates.
recognize
problems.
industrial,
e recently
n Associa-
inary pur-
railroads
tion, and
perfecting
on system
eliver the
minimum
n was or-
onn, who
initiating
ory boards
ive in im-
ice by co-
s and the
oads know
nsportation
ther coun-
now, to
incentive.

New York
three years
Mcgrawhill

Montgomery
Manager

David Dillman
ur W. Baum
R. I. Carlson

ESS WEEK

FOR THE
probab
neutr
with it
and s